Daily Report

Latin America

FBIS-LAT-88-152
Monday
8 August 1988

Daily Report
Latin America

FBIS-LAT-88-152 *8 August 1988*

CONTENTS

INTERNATIONAL AFFAIRS

South Commission Meeting Opens in Mexico 1
Cuba's Rodriguez Arrives *[Havana TV]* 1
De la Madrid Speaks *[Mexico City TV]* 1
U.S. Policy, Debt Viewed *[Havana]* 1
Peruvian Minister Opens African Fund Meeting *[Lima TV]* 1

CARIBBEAN

Cuba

Agreement on Peace Measures in Africa Reached 2
Dissident Reportedly Released, Sent to U.S. *[AFP]* 2
CPSU Politburo's Ligachev Cited on Capitalism 2
Risquet Holds Talks With PDRY Leader 2
Economic Cooperation Talks With Mexico Begin 2
Cooperation Agreement Signed With Ecuador 2
Education Ministry Acts To Resolve Problems 2
Briefs 3
Zeolite Deposits 3

Haiti

Justice Minister Criticizes Notaries, Surveyors 3
Democratic Conscience Seeks United Front 3
Democratic Accord To Meet on National Situation 4
Patriotic Action Seeks Provisional Government 5
Rights Groups Denounce Persecution of Unions 5
Three New Communal Magistrates Sworn In 5
Transportation Made Available to Magistrates 6

MEXICO

Deputy-Elect Defects From PRI to Opposition *[AFP]* 7
Nicaragua, Panama, Jamaica Not Receiving Oil *[EFE]* 7
Bank of Mexico Reports 1988 Budget Adjustments *[EXCELSIOR 4 Aug]* 7

CENTRAL AMERICA

Costa Rica

Arias Comments on Peace Plan, Nicaragua *[LA PRENSA LIBRE 30 Jul]* 8
Responds to Ortega Charge *[Mexico City TV]* 8
Claims 'Much Progress' 9

El Salvador

Zamora on Elections, Transition Period 9
Two British Doctors Arrested in Refugee Camp *[AFP]* 12
UK Citizens Released 12

Guatemala

Cerezo: Groups Out 'To Destabilize' Government *[ACAN]* 12
Three Civilians Deny Charges of Conspiracy *[ACAN]* 13
Cerezo on Rebel Amnesty, U.S. Military Aid *[EL GRAFICO 4 Aug]* 13
Students Attempt To Occupy Congress Building *[ACAN]* 14
Official on Protests 14

Honduras

Foreign Minister Comments on Guatemala Meeting 15
Army Commander Denies Military Coup Rumors *[ACAN]* 16
Supports Contra Military Aid *[Buenos Aires REUTER]* 16

Nicaragua

Ortega on Contra Aid, Democracy, Health Issues 16
'Ban' on Ortega Presence at Borja Inauguration *[ACAN]* 19
BARRICADA on Reagan Campaign Against Country *[4 Aug]* 20
Opposition, Unions Demand Government Reforms *[ACAN]* 20
Media Directorate Suspends Humor Weekly *[BARRICADA 5 Aug]* 21

Panama

Noriega Reportedly Plans Move to Caracas *[Buenos Aires REUTER]* 21
Solis: U.S. 'Must' Give Visas for UN Meeting 21
Solis on U.S. 'Aggression,' Facing Problems 22
Ortega Visit To Build 'Stronger, Closer' Ties 24
Ritter on Delvalle-Noriega Delegates Meeting 24
Delvalle Said Seeking End To 'Captivity' *[CRITICA 6 Aug]* 24
9 Civic Crusade Activists Arrested 5 Aug *[DPA]* 25

SOUTH AMERICA

Argentina

Sourrouille Discusses New Economic Plans 26
Public Works Minister on Economy, New Measures 26
Trade Secretariat Releases Summary of Measures 29
'Last Details' of Bridge Loan Studied 30

Bolivia

President Delivers Independence Day Address *[EFE]* 30
Comment on Upcoming Visit of George Shultz 31
Ministers: Visit 'Important' 31
Antidrug Aid 'Ridiculous' *[EFE]* 31
Minister on Drug Burden *[EFE]* 31
Alderete on Drug Agenda 31
Revollo on Aid 32
Labor Group Rejects Visit 32
Interior Minister on Antidrug Efforts 32
Government Urges Support for Contadora Group 32

Brazil

Sarney, Shultz Discuss Trade Problems *[O ESTADO DE SAO PAULO 6 Aug]* 32
Students Protest Visit *[O ESTADO DE SAO PAULO 6 Aug]* 33
Visit Success for U.S. *[FOLHA DE SAO PAULO 7 Aug]* 33

Chile

Carvajal Supports Lifting States of Exception 34
Foreign Debt Renegotiating Agreement Signed 34
Finance Minister Comments 34
Joint Declaration With Peru Stresses Good Ties 35
Supreme Court: Communist Leader Cannot Stay 35

Colombia

President, Army Commander on National Dialogue 35

Ecuador

President: Ortega Not To Attend Inauguration 35
Possible U.S. Pressure *[Buenos Aires REUTER]* 36
Government Denies Reports *[EFE]* 36

Peru

Garcia on Miners Strike, Arrested Palestinians 36
Prime Minister on U.S. Obligation in Drug Fight 38
Superpowers Asked To Uphold Nuclear Testing Ban 38

Uruguay

Students, Workers Protest Shultz' Visit *[EFE]* 38

Venezuela

More Ministers Resign To Join Perez Campaign *[EFE]* 38
Lusinchi Meets With Barbados Prime Minister *[EL UNIVERSIAL 27 Jul]* 39

South Commission Meeting Opens in Mexico

Cuba's Rodriguez Arrives

FL0408131588 Havana Tele-Rebelde Network in Spanish 1100 GMT 4 Aug 88

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has said in Mexico City that it is very important to create a regional organization to express the voice of Latin America and the Caribbean. He said the preliminaries are being worked on as outlined at the Acapulco presidents meeting. He stressed that there is great awareness on the continent and the subject will be addressed during the next SELA foreign ministers meeting.

As he arrived in Mexico for tomorrow's inauguration of the third South Commission meeting, Carlos Rafael Rodriguez referred to the advantages of the existence of a true OAS organization with the presence of countries from the north and south of the continent. He stated Latin America has before it the task of becoming the most developed continent, with more technical forces, historical traditions, and mature nations, and playing a very important international role.

De la Madrid Speaks

PA0708043088 Mexico City XHTV Television in Spanish 0200 GMT 6 Aug 88

[Report by Ana Cristina Pelaez]

[Text] Today President Miguel de la Madrid proposed that the countries of the South begin a struggle to change international relations, seek allies throughout the world, unite efforts, and strengthen solidarity. He said the 1980's have been time lost for growth and a decade of unfortunate steps backward, the worst ones since 1945. President Miguel de la Madrid stated this at the opening of the third meeting of the South Commission in Mexico City.

He said the era of the powerful nations that arbitrarily designed the world economic system must end as soon as possible. He said because of this, the nations of the South have been left out when decisions are made, which has resulted in all kinds of negative factors.

[Begin De la Madrid recording] The main social indicators, such as literacy rates, life expectancy rates, and distribution of income, have suffered a considerable, and sometimes even devastating, deterioration in several countries. [end recording]

In the name of Mexico and the 28 nations of the South Commission, President de la Madrid urgently called for a change in international economic relations in the face of the threat of a world recession, stressing that what affects the South will have repercussions in the North. He said the responsibility of the debtors must be dealt in the same way by governments and creditor institutions.

U.S. Policy, Debt Viewed

PA0708235388 Havana International Service in Spanish 1800 GMT 7 Aug 88

[Text] Cuban Vice President Carlos Rafael Rodriguez said that U.S. foreign policy has been a complete failure, not only in Central America and Cuba, but also in southwest Africa and in other parts of the world.

Rodriguez made that statement to journalists at the meeting of the South Commission currently being held in Cocoyoc, Mexico.

Regarding the foreign debt problem, Rodriguez said that he did not go to Mexico to propose a moratorium on its payment, because that subject had already been analyzed at a previous meeting. He reaffirmed Cuba's position that the foreign debt is unpayable. He added: What has happened has confirmed this; however, we believe that a resolution of the problem will take a few years and necessitates coordinated actions by the debtors.

The South Commission's meeting will end today with a final resolution.

Peruvian Minister Opens African Fund Meeting

PY0208224988 Lima Television Peruana in Spanish 1800 GMT 2 Aug 88

[Excerpt] This morning Foreign Minister Luis Gonzales Posada opened the third meeting of high-ranking officials of the African Fund Administration Committee Against Apartheid [Comite de Administracion del Fondo de Africa para la Lucha Contra el Apartheid].

The meeting was held in a room of the Hotel (Crion) convention center. This organization was created in September 1986 by the Nonaligned Movement. It is comprised of representatives from India, Zambia, Algeria, Argentina, the Congo, Nigeria, Peru, Yugoslavia, and Zimbabwe. The purpose of the Fund is to strengthen the economic and financial standing of the Frontline States by assisting them in their struggle against apartheid and to support the liberation movements' struggle in the RSA and Namibia against racism and colonial oppression. Representatives from other countries also participated.

Members of the diplomatic corps accredited to the Peruvian Government also attended. Foreign Minister Posada spoke during the inaugural session, stressing the importance of the country's support for the movements fighting the Namibian and RSA regime. [passage omitted]

Cuba

Agreement on Peace Measures in Africa Reached

FL0508201588 Havana Radio Reloj Network in Spanish 2002 GMT 5 Aug 88

[Text] The delegations from Angola, Cuba, South Africa, and the United States meeting in Geneva have reached agreement on a series of measures to attain peace in southwestern Africa. These measures will be submitted to their respective governments and will be announced on Monday.

Negotiations on southwestern Africa which were held this week with U.S. mediation were considered to be positive and productive, says a joint communique that was also signed by U.S. representatives.

The details of the agreement, the communique adds, will be made known simultaneously in Luanda, Havana, Pretoria, and Washington on August 8.

A new round of quadripartite talks on southwestern Africa will take place the week of 22 August in a location that has not yet been determined.

Dissident Reportedly Released, Sent to U.S.

PA0508154888 Paris AFP in Spanish 1506 GMT 5 Aug 88

[Text] Havana, 5 Aug (AFP)—Cuban historian Ariel Hidalgo, classified a prisoner of conscience by the human rights organization Amnesty International, was released and sent to the United States today, it was reported today by a U.S. source in Havana.

Hidalgo had been sent to prison in 1981 for spreading "enemy propaganda" and was one of the most active members of the political prisoners' organization at the Combinado del Este political prison near Havana.

CPSU Politburo's Ligachev Cited on Capitalism

FL0608011288 Havana Television Service in Spanish 0000 GMT 6 Aug 88

[Text] The concern that the tendency to imitate the capitalist market model could develop in the Soviet Union was expressed today by one of the highest leaders of the CPSU, Yegor Ligachev, member of the CPSU Politburo and secretary of its Central Committee.

The television program "Vremya" significantly carried for approximately 25 minutes the complete speech given by Ligachev at the CPSU meeting in the Gorkiy region, where the Soviet leader warned against that kind of imitation.

The capitalist market, he said, not only involves objects and capital; it also includes the work force. Capitalism is characterized by [words indistinct] laws and chronic unemployment.

In reference to the situation in Armenia and Azerbaijan, the party leader criticized those who erroneously (?misunderstood) democracy and tried to resolve problems through strikes. He added that socialism is a workers regime and it is absurd to declare a strike against oneself.

Risquet Holds Talks With PDRY Leader

FL0508125588 Havana Radio Progreso Network in Spanish 1100 GMT 5 Aug 88

[Text] Yesterday Jorge Risquet, member of the PCC Politburo, met with (Muhammad Garbun), leader from the People's Democratic Republic of Yemen [PDRY], in Havana. They exchanged information on the tasks being carried out by the ruling parties of their respective countries.

Economic Cooperation Talks With Mexico Begin

FL0508133088 Havana Radio Progreso Network in Spanish 1100 GMT 5 Aug 88

[Text] Cuba and Mexico have affirmed the commitment to strengthen cooperation in the economic-industrial field in medium- and long-range projects. The commitment was expressed at the beginning of the fifth meeting of the intergovernmental work group for economic-industrial cooperation.

Cooperation Agreement Signed With Ecuador

FL0408190088 Havana Radio Rebelde Network in Spanish 1700 GMT 4 Aug 88

[Text] Today Miguel Burgueras del Valle, Cuban vice foreign minister, and Dr Manuel Araujo Hidalgo, Ecuadoran ambassador to Cuba, signed a technical, economic, and scientific cooperation agreement.

The two parties will encourage economic and scientific-technical cooperation among organizations, institutions, and companies with joint and private investments from both countries. The agreement will provide for the establishment of specific projects of mutual interest.

The cooperation will include the development of technical-economic studies, exchange of technological information, joint research, exchange of experts and specialized missions, granting of scholarships and training courses, and other forms of economic and scientific-technical cooperation.

Education Ministry Acts To Resolve Problems

FL0308154088 Havana Tele-Rebelde Network in Spanish 1100 GMT 3 Aug 88

[Text] The goal of the 1987-88 school year, which was included in the rectification process, was to increase the quality of the teaching process and eliminate deficiencies. This was noted by the Education Ministry's report for the period. The document says that special credit should be given to teachers and professors who, together with students and relatives, made more efforts to achieve better results during the recently-concluded school term.

The Education Ministry implemented a number of measures to resolve the problems, which were noted during the FEEM [Federation of Secondary School Students] and FEU [Federation of University Students] congresses and, in particular, at the deferred session of the Third PCC Congress. Consultations with thousands of teachers and the rest of the personnel were very fruitful. Their views and opinions were taken into account. The Education Ministry will continue with this practice from now on.

Briefs

Zeolite Deposits

More than 25 zeolite deposits exist throughout the country. The principal locations of these deposits are in Pinar del Rio, Havana, Cienfuegos, Camaguey, Santiago de Cuba, and Holguin. Five mining projects are currently underway which are expected to provide industrial reserves within the next 2 years. Zeolite, which is considered to be the mineral of the century, is used in oil refining, production of special cements, and cattle and poultry feed, and as an absorbent for moisture and humidity in refrigeration equipment. [Summary] [*FL0408203288 Havana Radio Reloj Network in Spanish 1910 GMT 4 Aug 88*]

Haiti

Justice Minister Criticizes Notaries, Surveyors

FL0508164688 Port-au-Prince Radio Nationale in Creole 1300 GMT 4 Aug 88

[Excerpts] [passage omitted] The meetings between Brigadier General Fritz Antoine, who is minister of justice, and the people in charge of dispensing justice in Haiti are continuing. This morning the minister received a second group of notaries and surveyors who work in Port-au-Prince and its environs. Sixteen notaries and surveyors participated in this important meeting. The head of the Department of the Public Prosecutor for Port-au-Prince, Mrs Mireille Zamor Pluviose, was also present.

The minister began by saying that they receive complaints about a number of notaries and surveyors constantly. They have even received complaints through letters signed by the (?representatives) of the Department of the Public Prosecutor. According to the minister, when the notaries give a client an official record of proceedings, they never take the time to explain to the client what is contained in the document. That is why trouble [preceding word in English] breaks out all the time between the client and the notary. The minister added that they have proof. He said that there are a number of notaries who are not serious. They have no qualms about making money, and do not hesitate for a single second to deliver a false document for money.

[Begin Antoine recording, in French] I am sure you are aware of the fact that people daily report a continuous deterioration of the image of your profession. You are certainly not all guilty. That is precisely why there is reason to expect redress. We, together, are going to lay the foundations for this redress, which is indispensable. It has been suggested that a law be enacted creating a notarial chamber within which a higher notarial council would operate. This council would be in charge of applying disciplinary sanctions such as censure and suspension against guilty members. I ask you to express your opinions regarding this suggestion, and to make a few recommendations that would permit the redress everyone desires. [end recording]

Addressing the surveyors, he said they received many complaints daily about surveyors who do not respect the boundaries of other people's land. With the complicity of dishonest clients, they do not hesitate to touch government-owned lands. As for the issuing of false documents, it is rampant. The public prosecutor, Mrs Pluviose, took the floor to say that there are even those who do their surveying in the dead of night. These people hate to respect peasant property. Some surveyors do so well at this that they even go and survey lands out of their jurisdiction. They become the instruments [words indistinct]. They accept any amount of money to move the markers already placed by another surveyor. With their instruments, they turn rectangular plots into diamond-shaped ones. Let's listen to the minister.

[Begin Antoine recording, in French] [Passage omitted] In other cases, state lands are monopolized with the complicity of dishonest clients, or excesses granted at the expense of [words indistinct] to the surveying? Doing violence to the dispositions of the law governing the matter, the surveyor sometimes grants himself big portions of land as a fee, scandalously exceeding the fee schedule. Thus you receive portions of land as your fee. This is done. [end recording] [passage omitted]

Antoine said the ministry will punish dishonest surveyors. He laid a great deal of blame on the surveyors, speaking in severe terms, so as to get through to them and so that they will stop issuing false documents, stop violating the boundaries of people's land, stop moving land boundary markers, stop surveying lands in the dead of night, and will leave government lands alone. In this way, dog-eat-dog fighting over a little piece of land in Haiti will come to an end. According to the minister, in a meeting he had with Lieutenant General Henri Namphy, the president of the military government, the latter asked him to see to it that justice was administered properly in Haiti; he asked him to provide impartial justice to those who should have justice.

Democratic Conscience Seeks United Front

FL0408222788 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 4 Aug 88

[Excerpt] The party called Haitian Democratic Conscience [Conscience Democratique Haitienne] wants to go in the same direction as the statement by the Haitian Veteran Servicemen's Association [AVMH], but it would not like to leave the Constitution of 1987 behind.

The Haitian Democratic Conscience says that that although the acts being committed—the facts—constitute a clear denial of all the general's pretty words; today the general continues to insist on what he terms a commitment to pursue the movement toward democracy and on the acquisitions of 7 February 1986 which he himself can preserve.

In order to support this position, the general adds that democracy is not instantaneous. He says everyone should contribute whatever he can.

On 29 March 1987, the Haitian people, who want a change, ratified a constitution to guide it in its efforts to build a democracy. Why was the Constitution of 1987 eliminated? If they were to reinstate the Constitution of 1987, the Haitian people could perhaps come to trust the government, which would have thereby proven its good faith.

This would be, first of all, a beginning to any dialogue, any consensus, any cooperative effort that might be held, reached, or made.

The party says that everyone knows mistakes were made. Mistakes were made all over the place. 29 November 1987, 17 January 1988, 20 June 1988—all these things were bad moves which, although they did not overturn the government's chariot, as the party put it, at least totally blocked it and stopped it in its tracks, preventing it from accomplishing anything.

Today the head of the military government feels that he is alone, facing a huge task—as he himself described it—which he must accomplish. That is why he is appealing to all citizens. He has appealed to all the nation's citizens in order to get the train back on its tracks.

Concluding its press release, the party says: We, who are democratic organizations from the country's nine departments, should follow the MIDH's [Movement for the Establishment of Democracy in Haiti] leader. In order to do this, this is what we will do. We must not lose our own character, but we can present a united front and engage in a dialogue, discuss, and change that which must be changed, in order to try to now launch our country on the path of democracy.

For his part, Maurepas Auguste sees things differently. He considers Mr Bazin another Manigat. In the fourth press release he has issued since the 19 June coup d'etat, Maurepas says that his movement, the MDU [Movement for Democratic Unity], is the movement of democracy and unity and thus they are in favor of a dialogue—but with whom and about what? What is important at this point in time is the Constitution of 1987, which the people adently ratified just 6 months ago and which they decided to so disrespectfully abolish on 8 July. The people who abolished it totally ignored the fact that on 17 July 1987, they swore to respect that constitution.

Mr Bazin's initiative surprises us, because we thought he was a member of the Committee for Democratic Accord [CED]. We could have understood him if he had taken this initiative within the framework of the CED. In any case, this would not have been possible. The adversary—if not enemy—keeps scoring. It is preferable to shut our mouths and find a little corner to go sit in than to continue the battle with all of us pulling in different directions.

In the history of Haiti, we have changed constitutions as often as most people change clothes. The problem today is not to change the Constitution but rather to respect what we gave ourselves freely.

That was an excerpt of Maurepas Auguste's answer to MIDH leader Marc Bazin's recent call for dialogue. [passage omitted]

Democratic Accord To Meet on National Situation

FL0508221088 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 5 Aug 88

[Text] A statement from the Committee for Democratic Accord [CED] says that today, 30 months after Jean-Claude Duvalier left power, the Haitian people are very disappointed about the way they see their demands being trampled underfoot and are very anxious about the future.

The coup d'etat that the democrats had felt coming ever since 7 February 1988 occurred on 20 June. All the circumstances accompanying this coup served to strengthen the conviction already held by the Haitian people that nothing has changed.

Despite all the struggles the Haitian people have waged to establish democracy in Haiti, what we thought we had acquired on 7 February 1986 is still being trampled underfoot. The speech by the head of the military government on 8 July told the people nothing at all. The country is in a mess. That is why it is important for all political sectors in Haiti that really want democracy to meet to discuss the situation.

The CED, which wishes to respond to the Haitian people's appeal and which is aware of its responsibilities, has begun taking steps to gather and assemble all sectors in order to reflect upon the country's problems. While this big meeting to reflect upon Haiti's problems is being set up, the CED invites the different political sectors, as well as union, professional, socio-professional, peasant, church, and youth organizations to start reflecting upon a number of matters, such as the crisis in our institutions, the 20 June coup d'etat, human rights, the problem of security, and Haiti's economic and financial situation. People can start thinking about this while waiting for the meeting in question.

We call on everyone, without exception, to think about these problems. We have already begun a series of contacts aimed at setting up this democratic forum and we will have details on this before too long.

Port-au-Prince, 4 August 1988

[Signed] Gerard Gourgue, for the National Concerted Action Front; Marc L. Bazin for MIDH [Movement for the Establishment of Democracy in Haiti]; Louis Dejoie, for PAIN [National Agricultural and Industrial Party]

Patriotic Action Seeks Provisional Government

FL0608031988 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 5 Aug 88

[Text] Patriotic Action, which introduces itself as an assemblage of patriotic democratic militants, asks the entire Haitian people—all patriotic organizations and associations—to organize themselves and mobilize in favor of a provisional civilian government with a program that will create the conditions necessary for the Constitution of 29 March 1987 to prevail in Haiti.

In view of the current situation of human rights violations, which Patriotic Action denounces—whereby the government violates human rights and does not respect the oath it took in July 1987 to respect the Constitution and does not respect the agreement reached regarding the 16,000 baccalaureate exam candidates—and for many other reasons, Patriotic Action says we need a provisional civilian government.

Patriotic Action asks: How should such a civilian government be formed? It says that in keeping with the spirit of the Constitution of 1987, all the nation's sectors should participate in the important decisions made. Thus, in order to organize a proper transition, the following institutions should shoulder their responsibilities and choose delegates who will make up the provisional civilian government: church, human rights, socio-professional, union, journalist, peasant, industrial, and merchant organizations.

Patriotic Action asks: What should the provisional civilian government do?

It should do several things. First, it should release all political prisoners. It should disarm all macoutes and all detectives. It should identify, arrest, and bring to trial all the criminals responsible for the massacre of 29 November 1987. It should separate the Army from the police. It should do whatever is necessary to remove the toxic waste, the poisoned trash, from Gonaives. It should satisfy the demands of the 16,000 baccalaureate candidates, as had been agreed in the February 1988 accord.

Patriotic Action adds that an even more important measure is to begin to apply the articles of the Constitution of 29 March 1987 regarding decentralization.

Other measures Patriotic Action proposes that the provisional civilian government take through its program are such things as (?forming volunteer) assemblies for the communal sections, administrative districts, and departments, and taking measures to mobilize all the young people, all patriotic volunteers who are technicians and professionals, to carry out a number of very urgent tasks, such as, for example, forming health brigades to work with the population throughout Haiti to fight the illnesses that are assailing the population, forming reforestation brigades with each section having its own nursery, forming brigades to teach people to read and write, and so forth.

Patriotic Action proposes all these things, and asks the entire Haitian people, all patriotic organizations and associations, to organize and mobilize in favor of a provisional civilian government with a program that will create the conditions for the Constitution of 29 March 1987 to prevail in Haiti.

The Patriotic Action press release is signed by (Maxime Eliacin) and (Victor Jean-Barth).

Rights Groups Denounce Persecution of Unions

FL0508161588 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 4 Aug 88

[Text] Renadwam, which is the National Network for the Defense of Human Rights, calls on all human rights organizations in Haiti to ask the Haitian Government to take whatever measures are necessary to guarantee the security of union leaders and members. In a press release issued today, Renadwam says that it has learned of acts of sabotage and terrorism committed on 25 and 26 July 1988 against the headquarters and leaders of the Federation of Agricultural Workers in Gros Morne and in Saint-Michel de l'Atalaye.

According to Renadwam, these acts are a violation of the freedom of association consecrated by the universal declaration of human rights, which Haiti was one of the first countries to sign. Renadwam continues: It is also a violation of all the principles regarding the rights of workers that Haiti has approved and signed within the framework of the International Labor Organization. According to Renadwam, these acts are very disquieting, especially because they are part of a systematic campaign of terror against the inhabitants of the nation's rural sections and against all associations.

In conclusion, Renadwam says it is calling on all human rights organizations in Haiti and abroad to ask the Haitian Government to take all the measures necessary to guarantee the security of union leaders and members. Among these leaders and members, Renadwam names (Fignole St Cyr), (Louis Jean-Philippe), (Sauveur Aurelus), (Bernard Thibot), (Edouard Pierre), (Stanley Auras), and (Habanas Pierre). These union militants are being persecuted and much threatened in the areas in which they live.

Three New Communal Magistrates Sworn In

FL0408220788 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 4 Aug 88

[Excerpts] The reshuffling operation is continuing. This morning it was the turn of three new communal magistrates that the military government has just appointed in

Delmas, Petion-Ville, and Kenscoff to be sworn in before a representative of the Justice Department. The Justice Department was represented by Mrs Mireille Zamor Pluviose, the public prosecutor, and by the doyen of the civil court of Port-au-Prince.

Each magistrate came in a vehicle with his own small group of fans. Some of the fans were singing: We put one over on them! These fans caused quite a bit of trouble at the courts, and they interrupted the ceremony many times. At one point the doyen and the public prosecutor even had to go outside to quiet them down. Some of the fans were saying: There is no way we can fail to get a job now, because it is our magistrate who is in office.

We also noticed, among these people, certain big tontons macoutes, former dyed-in-the-wool Duvalierists whom everyone knows, pacing in the corridors at the courts, wearing broad smiles of contentment, as if to say we are back with a vengence.

According to the government decree, these new magistrates, who are in office until the military decides to hold elections, swore to respect the Constitution. The journalists present were a bit astonished. They were asking: What Constitution? General Namphy abolished it as soon as he seized power and has been ruling by decree.

Since these things were being said in the presence of men of the law, of representatives of the Justice Department, the journalists asked the doyen what constitution they were talking about. The doyen said that it is a political matter which is none of his business—as if what he was doing there together with Mrs Mireille Pluviose, swearing in the magistrates that the military government appointed after the coup d'etat, was not a political matter. We are going to listen to the doyen's answers. [passage omitted]

There is much talk going on about this business of new appointments of magistrates. After the military government dissolved the legislative chambers that were the issue of the 17 January elections, without any protests whatsoever from the members of those chambers, the government gave these same deputies and senators other jobs. The deputies and senators are quite pleased. Some of them have even already scattered out to the provinces to effect propaganda and prepare demonstrations.

Many people think that now it is the turn of the magistrates, who for as far back as one can remember in the history of Haiti have always served as support pillars throughout the country for the power of bigshots, even though some of them sometimes don't understand a thing about the game they are involved in.

Among the new magistrates who are to be appointed, or who have already been appointed, are certain former important dyed-in-the-wool Duvalierists, some of whom were even being sought after 7 February, allegedly to be arrested and tried. We are here, following events.

Transportation Made Available to Magistrates
FL0408130288 Port-au-Prince Radio Nationale in Creole 1300 GMT 3 Aug 88

[Excerpt] A press release from the Justice Ministry says that, aware of the many problems that the justices of the peace in the capital face when they have to go out during the night and over the weekend in connection with the performance of their duties, the ministry has taken measures to facilitate their task and help them do their job, fulfill their mission, properly.

Henceforth, the ministry will have a jeep and a driver at the disposal of all magistrates from Monday through Friday between 1800 and 0600. They will also be available around the clock on Saturdays and Sundays. This will ensure that the magistrates will be able to get around. They may call the Justice Ministry as needed at the following numbers: 5-1626, 5-2949, 5-1646, and 5-3003.

The Justice Ministry note is signed by Director General (Yves Barbot). [passage omitted]

Deputy-Elect Defects From PRI to Opposition

PA0608035188 Paris AFP in Spanish 1535 GMT 5 Aug 88

[Excerpt] Mexico City, 5 Aug (AFP)—Yesterday Darwin Gonzalez, PRI deputy-elect and leader of the progovernment National Peasant Confederation (CNC) in Tabasco State, announced that he had joined Cuauhtemoc Cardenas' opposition National Democratic Front [FDN], causing an uproar in Mexican political circles.

This is the second important defection from the ruling party, after PRI member Manuel Lopez Obrador last week defected to the FDN in the same oil-producing state of Tabasco.

After several PRI deputies were disqualified for winning their seats through fraud, the desertion of Deputy Gonzalez makes the difference between the opposition and the ruling party in the lower house even smaller.

In the new Chamber of Deputies—which must confirm PRI candidate Carlos Salinas de Gortari's presidential election victory—the PRI will have a small majority of nine deputies (249 to 240) over the opposition parties: the FDN and the conservative National Action Party (PAN) headed by businessman Manuel J. Clouthier. [passage omitted]

Nicaragua, Panama, Jamaica Not Receiving Oil

PA0508160488 Madrid EFE in Spanish 2106 GMT 4 Aug 88

[Text] Mexico City, 4 Aug (EFE)—According to reports today in the daily EL FINANCIERO, the financial conditions of the San Jose Pact are preventing Nicaragua, Panama, and Jamaica from getting the oil quotas assigned by Mexico.

The oil agreement, renewed yesterday by Mexico and Venezuela, establishes that the countries benefitting from this agreement should pay in cash 80 percent of the crude they receive and the remaining portion of the bill can be transformed into a short- or long-term credit.

Nicaragua has not been receiving crude—from either Venezuela or Mexico—for over 2 years because it cannot fulfill the commercial part of the agreement. Moreover, Nicaragua's debt with the Mexican Government exceeds $500 million.

According to EL FINANCIERO, Panama and Jamaica have not picked up their Mexican oil shipments since last April, also because of financial problems.

The beneficiaries of the San Jose Pact are Belize, Barbados, Cost Rica, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, Panama, and the Dominican Republic.

Mexico's lists have no quotas assigned to Belize and Barbados.

Bank of Mexico Reports 1988 Budget Adjustments

PA0708200688 Mexico City EXCELSIOR in Spanish 4 Aug 88 pp 1-A, 10-A

[Article by J. Jesus Rangel M. and Fausto Marquez]

[Text] Monterrey, Nuevo Leon, 3 August—Within the guidelines of the Economic Solidarity Pact, the federal government will reduce its budget expenses between 5 and 7 percent for the third and fourth quarters of this year. Similarly, imports of goods and services will be reduced by 13.8 and 17.1 percent respectvely in the third and fourth quarters.

In a special report issued in English and distributed to the international financial community recently, the Bank of Mexico stated this and noted that these are adjustments in addition to those already announced in December 1987, when the stabilization program to curb inflation went into effect.

The document, entitled "The Mexican Economy," stated that the federal government budget was cut by 25.8 trillion pesos compared to what was originally authorized by the Congress of the Union in December 1987 in view of the new circumstances outlined in the Economic Solidarity Pact.

The report added that, subsequently, new adjustments were made to the budget as a result of plans to hold down inflation. The bank noted that the inflation rate is now expected to range between 65 and 75 percent in 1988. It also stressed that a drop in financial subsidies, through credits, will permit a savings of 800 billion pesos in this area.

The Bank of Mexico report obtained by EXCELSIOR also indicated that during the first 2 months of this year, the public sector eliminated 22 public enterprises and authorized the liquidation, sale, transfer, or merger of 85 others. Thus, of 694 enterprises scheduled to be sold, transferred, liquidated, or merged, 391 have completed one of these processes and 303 are at an advanced stage in the negotiations.

Regarding public finances, the Bank of Mexico emphasized that adjustments were sought to the original budget. It was cut from 235.7 trillion pesos to 209.9 trillion pesos for 1988 to create an initial GNP surplus of 8.3 trillion pesos. It stated that this year, the public sector has made greater efforts to improve the balance between revenues and expenses and that to achieve this, nonpreferential credits will be postponed and some will even be cancelled.

"In fact," the document added, "public expenses will be selective. For this reason, priority treatment will be given to public services such as education, health, housing, basic products, and the legal system."

In conclusion, with regard to international reserves, it reported that at the end of 1987, there was remarkable strength in the balance of payments, which resulted in an increase of $6.9 billion to "reach $13.7 billion, a new historic record that exceeds the total merchandise imported that year."

Costa Rica

Arias Comments on Peace Plan, Nicaragua

PA0708144388 San Jose LA PRENSA LIBRE in Spanish 30 Jul 88 p 6

[Excerpt] In exclusive remarks to LA PRENSA LIBRE yesterday in Palmares, President Oscar Arias Sanchez said that Nicaragua has been the biggest noncomplier with the terms of the peace and democratization agreements signed in Guatemala last year through a document known as Esquipulas II.

The Costa Rican president commented in this manner on a letter sent to him on Thursday by Nicaraguan President Daniel Ortega Saavedra in which Ortega criticized the way in which the agreements have been implemented and made a number of suggestions regarding ways to achieve effective unity among the five Central American countries.

Regarding President Daniel Ortega's letter, Arias Sanchez said:

"I respect it. I have told you many times that I would like to do an evaluation of what has happened over the past 12 months, since we are about to mark the 1st anniversary of the signing of the Esquipulas II peace agreement."

"I evidently have differences with the Sandinist government, and in the past few days I have expressed to both the national and international press my sorrow, my grief, and my sadness, because in regard to the essence of the peace agreement—which if we want a lasting peace is the democratization of our countries—Nicaragua has failed us miserably." [passage omitted]

Responds to Ortega Charge

PA0608124288 Mexico City XHTV Television in Spanish 0200 GMT 6 Aug 88

[Interview with President Oscar Arias by "Muchas Noticias" correspondent Demetrio Olaciregui; date and place not given—recorded]

[Text] [Olaciregui] Mr President, thank you for being here with us on "Muchas Noticias." Nicaraguan President Daniel Ortega recently said that you are falling into a U.S. trap by proposing that talks with the contras be resumed in Costa Rica. How do you feel about this?

[Arias] I do not agree. I do not feel it is a trap. I feel that it is my duty to see that the Esquipulas II agreements are respected. I believe that we should feel happy because, for the past 5 months, no soldiers have died in Nicaragua. However, this is not enough. A truce should culminate in a cease-fire. I also feel that it is going to be very difficult to continue these negotiations in Managua, and, since it is my duty and responsibility to find solutions and to build bridges instead of walls, I have offered Costa Rica as the site for the resumption of the negotiations.

I feel that this should at least be appreciated, because we are offering our country in good faith. I am not being manipulated by anyone; I consider it my duty to search for solutions and to build bridges, and I do not think I am falling into a trap by doing this.

[Olaciregui] The U.S. Congress is studying a renewal of aid to the contras. Do you think that if this aid is approved it will be a mortal blow to your Central American peace plan?

[Arias] The peace plan we proposed is not an immortal plan, but it has shown the world that it can take, and also dodge, many blows. The plan has proven that it can overcome many obstacles. Obviously, there are still many obstacles ahead. I feel that the Managua authorities would use this approval of new aid to the contras as an excuse to repress the Nicaraguan people further and to take additional steps backward—they have already taken many steps backward—toward the elimination of all forms of pluralism and the implementation of a much more totalitarian, tyrannical, and dictatorial regime.

On the other hand, the Sandinist government is not really willing or determined to abide by the Guatemala agreement. It is painful to see—and I have said this on several occasions—that they have taken very extreme measures. All this proves is that the most radical commanders fear democracy and freedom more than contras.

[Olaciregui] Mr President, a year after the Esquipulas peace plan was signed, very little progress has been made. In some cases, steps backward have been taken. Could it be that the five Central American presidents wanted too much when they signed the plan?

[Arias] Max Weber, a great German philosopher, once said that only by searching for the impossible can one achieve the possible. Therefore, you could say that we were ambitious. Remember that searching for peace is a very ambitious goal. It takes a lot to do this. Many forces around the world must be united to achieve this. It is much easier to wage war than to achieve peace. However, it is our moral duty, our duty toward our children—27 million Central Americans—to achieve this peace. Without peace we would condemn our children to live in greater poverty.

Today we can see the results of war, not only in Central America, but also in the Middle East, Angola, and the Persian Gulf. The fact is that, even though we are criticized for being too patient, the Iranians, the Iraqis, the Palestinians, and the Africans have also been patient. We should therefore not lose heart in our struggle for peace.

At the end of 1 year, I tell you that we have to realize that we must redouble our efforts. We must join together to put more pressure on the five presidents who pledged to comply with the Guatemala agreement. Costa Rica will

never—despite the stumbling blocks, obstacles, and barriers to the peace plan—be in favor of a resumption of the war or accept war as the best solution.

[Olaciregui] In your opinion, to what extent is foreign intervention responsible for the failure to end the war in Central America?

[Arias] Of course, it would have been very helpful for the superpowers to have refrained from insisting on military means as the means for resolving the region's problems or conflicts. In the case of the United States, I asked the U.S. Congress to give peace a chance, and Congress did so. In the case of the Soviets, unfortunately—and I regret this—I do not have the same means for reaching the Soviet people that I have for reaching the West, but I feel that the socialist bloc is very committed to the Central American insurgent groups that are fighting as guerrillas against the legitimate governments of Napoleon Duarte and Vinicio Cerezo. The day the two superpowers acknowledge that Central America's future should be decided by the ballot box, they will both be doing a great favor to Central America and all humanity.

[Olaciregui] Next week, you will meet with several Latin American rulers at the inauguration of the new Ecuadoran Government. Will you be taking a new proposal to that summit meeting?

[Arias] No. I reiterate that what is needed to achieve peace in Central America is the will to achieve it. We do not need to discover anything new. I believe there is no possibility that a new solution to the Central American conflicts will be discovered. The only thing we need to find is the will to comply with what we pledged to do 1 year ago in Guatemala. When this will exists, there will be democracy, freedom, and peace throughout Central America.

[Olaciregui] Thank you, Mr President, for talking with us about the Central American peace process.

Claims 'Much Progress'

PA0708031388 San Jose Radio Reloj in Spanish 0100 GMT 6 Aug 88

[Text] President Oscar Arias Sanchez has said that when he took office, he found the country on the way to war because an infrastructure was being built to support 5,000-7,000 Nicaraguans who would fight the Sandinist regime. In a speech at the commemoration of the 120th anniversary of the founding of Atenas municipality, President Arias Sanchez said his administration returned to the path of dialogue and negotiation. Arias Sanchez said that if he had continued the plans that existed when he took office, Costa Rica would have suffered the consequences of war.

When I took office, I realized Costa Rica had to try to preserve the good we inherited from our predecessors and we had to change what was useless, President Arias Sanchez said. The president added that during his electoral campaign, he stated in Atenas that if social change is not carried out in time to save us from bloodshed, someone will want to carry it out with bloodshed to save time. Arias Sanchez said he has wanted to change some things in Costa Rica even though perhaps the (?easiest) thing would be to leave things as they are. However, he did not do that because he wants to respond to those who trusted the ballot box and elected him president.

When he found a Costa Rica moving toward the path of war, the president said he resorted to the Costa Rican method of dialogue and negotiation. There were plans to establish a southern front that would permit all the Nicaraguan southern region to have approximately 7,000 contras, and sooner or later Costa Rica would have been involved in the conflict affecting the region. Nevertheless, the effort that was made enabled Costa Rica to be awarded the Nobel Peace Prize, Arias Sanchez stated in remarks considered to be a veiled criticism of President Luis Alberto Monge Alvarez' administration.

Although he admitted that 1 year after the signing of the Esquipulas agreement there is still no peace in Central America, President Arias Sanchez believes there has been much progress. It is true there is still no peace in El Salvador, Guatemala, or Nicaragua, but for the past 5 months no soldiers of either side have died although there is a fragile truce. [sentence as heard] The president lamented that there is no established, negotiated, and signed cease-fire and that there is no democracy: We have learned that the path that the Costa Ricans follow to resolve conflicts is dialogue and negotiation and not war.

El Salvador

Zamora on Elections, Transition Period

PA0408194488 San Salvador Canal Seis Television in Spanish 0100 GMT 24 Jul 88

[Interview with Ruben Zamora, Democratic Merger member and FDR leader, by unidentified reporter—date and place not given]

[Text] [Reporter] We would like to talk about the confrontation between labor sectors and the Armed Forces, especially in view of the most recent events including the National Union of Salvadoran Workers. We want to know who is responsible for those actions.

[Zamora] I believe it is very difficult at times to begin with who is responsible for the incidents. We must begin by saying there is a generalized feeling of unrest, which is expressed by the private sector, the middle class, and the working class. That unrest is the basis of all the problems you mentioned.

I think things are very clear concerning last week's events. It was a peaceful demonstration. They were shouting their slogans as it should be, and at some point the Treasury Police tried to block them, shot into the air, fired teargas, caused panic among the demonstrators, and violence occurred.

I believe if the Treasury Police had not tried to stop the demonstration, if they had not shot into the air and not fired teargas, nothing would have happened.

[Reporter] In your opinion, are the authorities responsible for the incidents?

[Zamora] In that case, the authorities acted against democracy; therefore, they are responsible for the incidents.

[Reporter] Where will the country be heading if there are confrontations between those large sectors—the labor force, the government, and the Armed Forces? How far will this situation go?

[Zamora] I believe it could reach levels all Salvadorans would regret. I think there would be even more deaths than the ones we have already have. The situation can be completely out of control and irreversible. I believe it is absolutely urgent to resolve the country's problems and create conditions that will make all Salvadorans express our ideas and proposals through dialogue and negotiations without the need to resort to this type of confrontation.

[Reporter] According to the government, that type of confrontation proves it is necessary to approve a national emergency law. The bill was presented to the legislative branch by the executive branch. This kind of incident justifies the approval of that bill.

[Zamora] Analyzing not only our history, but that of many other countries, we become aware that alleged remedies to problems or justifications to resolve them becomes medicine that causes greater damage.

We have had recent experiences of this type; for example, what happened in the time of [former President] General Romero? He tried to stop the mass movement, the demonstrations, by formulating new repressive laws, and all he achieved was an increased mobilization of the masses. The issue is not to give the state new laws. The defense minister said some days ago the military will maintain its institutionality and defend the state with or without a law. He thus acknowledged they do not need the law. Therefore, the issue here is seeking the cause of the problems and trying to remedy that cause: the injustice and lack of real democratic freedoms in the country.

[Reporter] Let us move to another point, that of the solution of the conflict, the solution of the country's internal crisis. We could say this moves us into another arena, the matter of dialogue. We could also discuss this. You know of the flurry of peace proposals that have been made in the past few days, including one from the Nationalist Republican Alliance [ARENA], which is trying to centralize the dialogue in the Legislative Assembly.

[Zamora] I believe the flurry of peace proposals—and it has indeed been a flurry—is indicative of something. Salvadoran society has become aware and increasingly realizes that this country needs a solution through dialogue and negotiation. I believe this flurry of activity is a symptom of the nation's awareness, a positive sign.

We must find out now who or what force can truly promote a real peace process in the country. I think it is quite evident that the Christian Democrats cannot do it. They have been talking about this for the past 5 years. They have made promises and have always failed. The rightist sector, ARENA, cannot do it either. ARENA's past history is one of constant opposition to a dialogue and negotiation. Also, whenever ARENA presents a suggestion, it excludes other sectors. I think only the country's progressive forces—I believe the Democratic Merger can do it—can present a real and feasible suggestion that will lead us to a negotiated political solution to the conflict.

[Reporter] Could we interpret this as a sales pitch for the Democratic Merger? Is the Democratic Merger willing to seek a solution by participating in politics and the elections?

[Zamora] The decision to participate or refrain from participating in the March 1989 elections is something the Democratic Merger will announce in early August, sometime in August.

Returning to what we were talking about earlier, I feel we must not harbor hopes that the elections will be the solution to our problems. It would be pretty naive of us to think this is possible. Four or five elections have already been held in El Salvador, yet the problems today are more serious. The solution to the problem has to come through talks and negotiation. Salvadoran society must begin a period of basic national agreement to enable us to strengthen democracy in El Salvador and give way to peace.

[Reporter] This is a difficult task; let us examine another point: Speaking more clearly and specifically, how could the government provide an opening for your participation in government through other means? How can we find a solution?

[Zamora] The truth is that part of the political resolution of problems involves the participation of diverse sectors in a transition period. Regardless of my belief, politically speaking this is the only rational way to do it.

I wish to point out the following: The government's argument that the elections are the only way to participate in government is absolutely false. First, the Christian Democrats did not take control of the government via elections, but through an agreement with the Armed

Forces involving no elections. Second, the Christian Democrats have a Democratic Action minister in the government when Democratic Action did not do well in presidential or deputy elections. This is a problem of the Christian Democrats' double games.

[Reporter] You mention a transition period. How can it come about?

[Zamora] I believe it can come about through a very specific accord on what could be done during that transition period to carry out an electoral process involving all national sectors.

[Reporter] But with a government unwilling to yield and a right wing not very willing to hold dialogues or negotiate, what possibilities are there for this to happen?

[Zamora] What you are saying reflects the current situation. It is true: The Duarte government does not want to hold dialogues or negotiate. The right wing is very closed—for less than 3 years—to the aspects of dialogue and reaching a political solution.

This is like a family. Let us say there is a problem within a family. Let us assume there is a problem between husband and wife, and the two are fighting to make their view prevail. There is a point when they realize if they continue like this, they will destroy their marriage and family. They then realize they should yield a little.

It is probable that shortly before we reach the moment when we realize we should yield a little to prevent the country's destruction and start reconstructing Salvadoran society, we will not see many signs. However, that moment will come because it is an objective need of this country. We must find a political negotiated solution to the conflict. Otherwise, we we will destroy our society.

[Reporter] We were talking about the possibility that there would be a phase or period of time for finding a political solution to the Salvadoran crisis. There are two or three phases. First, agreements would have to be reached, later these agreements would have to be implemented, and finally elections would be held. Could we have some more details about that?

[Zamora] What we are discussing here is a sort of model that we are proposing. First, there would have to be agreements that would incorporate or include not only the two parties in conflict—that is, the government and the FMLN-FDR—but various sectors of Salvadoran society who are interested in peace. After these agreements are reached, the second phase is the implementation of these agreements. There is where we think there should be participation by the government and by the various sectors that have concluded the agreements. You cannot say—and I do not think anyone could say this—that after we have met and reached basic agreements on the country, we then tell the government: Here, take the agreements and implement them. That would not be a good political idea. Besides, it would involve a big risk. Why? Because the forces that are not involved in the implementation of such agreements could very easily start fighting, break those agreements, and ruin the process.

Then, there would be a period of time—say several months—that would be a transition period with the participation of the various sectors. This would later conclude with general elections, when each sector would propose its program, and the people would make the final decision.

[Reporter] Doctor, we have to be realistic about this. When we referred to the time the Christian Democratic Party came to power, we said it had not come to power by means of an election, but rather during a transition period. It was a period of time when important events took place. For example, the most important one was the 15 October 1979 coup. From a realistic point of view, what would be the important event today that could start a transition period?

[Zamora] That is precisely the problem. Here in El Salvador the government has tried to say that a negotiating process would violate the Constitution. I do not think so. Let me give you an example. Let us suppose that tomorrow Napoleon Duarte calls his cabinet members and tells them he wants them all to resign. Then, 2 days later, Napoleon Duarte appoints four FMLN commanders to four ministries, four ARENA members to four ministries, four members of the such-and-such professional association to four ministries, and four independents to four other ministries. That would be a true expression of a transitional government represented by various sectors. Napoleon Duarte would not have violated the Constitution at all because, according to the Constitution, the president is empowered to appoint his own ministers.

So in that sense, we can think of many specific formulas for a transition period. The important aspect is the political principle that if we reach an agreement—an important agreement leading to peace—all those participating in the agreement should be involved in its implementation, including the Armed Forces, the FMLN, private enterprise, political parties, and unions.

[Reporter] You have mentioned a very important concept, which is the right political moment.

[Zamora] We must create it. What would be more important or momentous for our country: the 1979 coup d'etat, or a real possibility of achieving peace in our country in 3 months? I believe there is no comparison as far as the Salvadoran people are concerned. The possibility of achieving peace is the most important issue, and all sectors should contribute to achieving that peace.

[Reporter] What are the possibilities for peace at this time as far as the government, the Armed Forces, ARENA, and the right-wing groups are concerned? Does the right political moment exist now?

[Zamora] If you are asking me if this could be possible tomorrow, I would honestly have to say no. I do not believe there is a willingness at this time. We can see this in the dialogue called by the church, which is merely a debate. The popular organizations—from the center, right, or left; it does not matter as they all represent the people—are the ones participating in the church's dialogue, while the organizations representing the powerful, rich sectors have refused to participate. That shows the need for negotiations is still not clear to some sectors of our society. No matter what business leaders may say, however—in other words regardless of the opinion expressed by ANEP [National Association of Private Enterprise]—we know that in view of the current crisis in the country several businessmen are asking themselves: What would the price of peace be? How much would I have to pay for peace? I believe this is the big question all Salvadorans should begin asking ourselves: What must I, my sector, or my group give to achieve real peace in the country? The Democratic Merger is working on this. That is the awareness we want to create in the country, but there is still much to be done.

[Reporter] There is something that has always been in the people's minds, something that has been bothering some people, and that is: Would you dissociate yourselves from the FMLN? This is a question that has been asked for quite some time and that you have answered many times. However, some people insist on saying: if you dissociate yourselves, then we will...

[Zamora, interrupting] I believe we must view this matter politically. First of all, what are we, the Democratic Merger, doing here in our country at this time? We are struggling for a political, negotiated solution to the conflict, because that is what we believe is best. A negotiated political solution must include the FMLN, the Armed Forces, private enterprise, and the popular sectors. If this is so—if the FMLN and the Armed Forces are essential elements in a political solution—what sense would there be in the Democratic Merger trying to find a political solution by first breaking with the FMLN, which is one of the essential elements in that solution? Politically, it would be unwise—very foolish I would say—to break our political alliance with the FMLN.

Let us look at this from another political angle. We must ask ourselves: If this happens, who would benefit from this rupture? Would it benefit the popular sectors? I believe not. Would it benefit the U.S. Embassy? Yes. Why? Because they will say: So you see, even those who were the FMLN's allies for 8 years have abandoned them. The FMLN is completely isolated. Would it benefit the government? Yes. So the problem here is: Are we here to serve the U.S. Embassy and the government, or to serve the popular sectors? Obviously, we are committed to the popular sectors, not to the government or to the Yankee embassy.

Two British Doctors Arrested in Refugee Camp

PA0408193588 Paris AFP in Spanish 1844 GMT 4 Aug 88

[Text] San Salvador, 4 Aug (AFP)—Two peasants were killed and two British doctors were arrested by the Salvadoran Army during a serious incident that took place on Wednesday in a refugee camp in Chalatenango Department in northern El Salvador, official sources reported today.

Coprefa Chief Colonel Galileo Torres said that the 4th Infantry Brigade troops of Chalatenango were conducting a routine patrol in the Las Casitas community, San Francisco Morazan jurisdiction, 75 km north of San Salvador, when they were attacked with rifle fire coming from inside the camp.

The officer said that "as a result of the cross fire," two peasants—Pedro and Nicolas Caballero, ages 50 and 45, respectively—lost their lives. He added that that the camp was later searched, and two British doctors—Ian Christopher Harrison and Joan Rowley, ages 29 and 34, respectively—were then arrested.

The two foreigners were still under arrest this morning at the Treasury Police headquarters in San Salvador "because they do not have the proper documents" allowing them to be in battle zones.

Meanwhile, the residents of Verapaz reported that two guerrillas and one soldier were killed today during the clashes that took place in that area, 71 km east of San Salvador, in San Vicente Department.

UK Citizens Released

PA0608041088 San Salvador Canal Doce Television in Spanish 0330 GMT 6 Aug 88

[Excerpt] Today government sources confirmed the release of two British doctors who were arrested on charges of managing a clandestine hospital for guerrillas. The arrest of the two British subjects—Christopher Harrison, 29, and Joan Rowley, 34—in a refugee camp in San Francisco Morazan was reported yesterday in an Armed Forces communique.

The two doctors were held for a short time and later turned over to the British Embassy in San Salvador. It is not yet known if the two British citizens will be deported to the United Kingdom. [passage omitted]

Guatemala

Cerezo: Groups Out 'To Destabilize' Government

PA0508231188 Panama City ACAN in Spanish 2114 GMT 5 Aug 88

[Excerpts] Guatemala City, 5 Aug (ACAN-EFE)—Today Guatemalan President Vinicio Cerezo said that "small groups" are persisting in their attempts to "destabilize" his government. He said efforts are under way to involve Army officers in an uprising.

Cerezo said that "the Guatemalan Army is ever vigilant to strengthen the democratic process" and the proof of this, according to Cerezo, is that "some officers to whom a group of civilians made a certain type of proposal immediately reported the incident."

On 31 July, three civilians tried to convince officers of the Justo Rufino Barrios General Garrison in Guatemala City to rebel. The officers reported the incident and the civilians were subsequently caught in a trap. [passage omitted]

Cerezo emphasized that "the Guatemalan Army is united in defense of the democratic process, and the government feels secure that it can face any situation."

He conceded that "small groups of bad Guatemalans who are dissatisfied with the legal process are trying to destabilize the country."

He said that attempts to involve officers "who are fighting in the country's interior" only "benefits the guerrillas or enemies of the democratic system, which we firmly reject."

Yesterday the "Teleprensa" newscast on Guatemalan Television Channel 11 cited official sources to report that two Army sublieutenants, one lieutenant, and two captains have been arrested for insubordination.

However, Army spokesman Colonel Luis Isaacs Rodriguez said that "no soldiers are under arrest, only three civilians."

A source close to the Presidency told ACAN-EFE that the anticommunist National Liberation Movement (MLN) was behind the plot.

However, MLN spokesman Rudy Fuentes Sandoval expressed "surprise" at the news and said that no MLN member "is involved because we believe that a coup d'etat is not the solution for Guatemala's grave problems." [passage omitted]

Three Civilians Deny Charges of Conspiracy
PA0608210188 Panama City ACAN in Spanish 1650 GMT 6 Aug 88

[Excerpts] Guatemala City, (ACAN-EFE)—Today three civilians who were arrested in July for plotting against Guatemalan President Vinicio Cerezo's government described themselves as anticommunists "ready to fight for their homeland," but rejected charges against them.

Jose Martir Recinos, 43; Alejandro Guzman Roman, 60; and Guillermo Florian Corado, 40, who are currently in preventative detention in the northern area of Guatemala City, denied charges of "conspiracy and provocation."

Cerezo's Christian Democratic government has accused them of provoking a military rebellion at the Army's Justo Rufino Barrios garrison, only 1 km east of Government Palace.

According to official reports, the "destabilizing" plan was discovered when it was reported by officers who had received the proposal; it was discovered because "the Guatemalan Army remains vigilant toward strengthening the democratic process."

The three detainees denied they were involved in the plot against the government. However, they admitted following an anticommunist line since 1954 and stressed their willingness "to struggle to prevent communist infiltration in Guatemala." [passage omitted]

According to unofficial reports denied by both the government and the Army, the coupists had planned to pressure Cerezo by demanding the removal of several top government officials, including Defense Minister General Hector Gramajo.

The coupists also expressed their fear of communist infiltration and rejected a dialogue between the government and the URNG, the guerrilla's main organization.

"We are not conspirators, and in sending us to jail, the government has made us political prisoners," said the three anticommunists, who have been detained and sent to court. [passage omitted]

Cerezo on Rebel Amnesty, U.S. Military Aid
PA0508152488 Guatemala City EL GRAFICO in Spanish 4 Aug 88 p 4

[Text] Approximately 4,500 people, including guerrilla fighters and people linked with the guerrilla groups, have turned themselves into the authorities and sought amnesty, President Cerezo asserted during a breakfast for press correspondents yesterday.

The president said the government's information indicates the rebel forces currently have only 700 men. Thus, he believes the rebels's actions are only sporadic, mostly harassment, to reassert their presence.

Cerezo said U.S. military aid to Central America will really benefit its own economy, because of the heavy investments that the countries in the region must make to purchase weapons and control the situation.

Cerezo said: Because of the existence of leftist (Guatemala and El Salvador) and rightist guerrillas (Nicaraguan contras), Central American countries must use funds that are earmarked for their economic development.

That is why U.S. aid in the military sector is so important, because it allows the Central American countries to use their own resources to support their development instead of spending them on weapons.

Students Attempt To Occupy Congress Building

PA0508182388 Panama City ACAN in Spanish 1704 GMT 5 Aug 88

[Text] Guatemala City, 5 Aug (ACEN-EFE)—Today, some 500 secondary school students tried to occupy the Legislative Congress building, 500 meters southeast of Government Palace, during street disturbances protesting the arrest of three other students.

The students first blocked traffic in front of the parliament building and then tried to enter into the building violently, which was prevented by security forces.

The students then sprayed gasoline and set fire to the main door of the Legislative Congress building. The door was not completely destroyed because of the prompt action by police officers who controlled the fire with fire extinguishers.

Meanwhile, an undetermined number of students from the state schools Rafael Agueche and Normal Central Para Varones occupied Adrian Zapata Institute in the northern section of Guatemala City.

Leaders from the Coordinating Board of Secondary School Students reported the "measures and public protests" will continue "until our three companions are released."

The aforementioned students were arrested by the national police during disturbances last night, after a demonstration against the high cost of living had ended in front of Government Palace.

The march had been organized by the Labor and Popular Action Union, which comprises the main labor unions, peasant leagues, and student and popular organizations.

Groups of students continue blocking the avenue where the parliament is located and have charged "fees" [peaje] to pedestrians to buy the fuel the students have used to set tires on fire, erecting barricades.

In addition, the students set on fire a bus from the urban transportation service and launched a second attack with stones against the Congress building, destroying the windows.

Police troops are maintaining a cautious guard in the zone, and there have been no clashes, although the students have attempted to extend their area of action, causing traffic jams.

The security measures have been reinforced at the Legislative Congress, where there was no session. Deputies who had arrived early to work on commission duties abandoned the Congress building.

Parliament President Alfonso Alonso Barillas, condemning the students' violent actions, told ACAN-EFE that "the youths are being manipulated and are obeying political instructions to destabilize the government."

Official on Protests

PA0508202488 Guatemala City Radio Nuevo Mundo in Spanish 1800 GMT 5 Aug 88

[Text] The Guatemalan Government has just commented on the recent actions by students. At this very moment, the government minister is holding a news conference to report on measures the security forces will adopt because of the student disturbances. The students are protesting last night's arrest of three secondary-level students. The students were participating in a demonstration sponsored by the Labor and Popular Action Union. The demonstration ended at the main square. The government minister quickly said the national police have been ordered to provide security for students wherever they hold their demonstrations. The government's intelligence unit has learned that criminal groups have infiltrated the students to engage in looting.

A few minutes ago, Congress President Alfonson Alonso Barillas has just ordered all personnel to evacuate the Legislative Palace. He wanted to prevent disturbances from jeopardizing the lives of the Congress personnel and the few deputies who still remain inside the building. The Congress president has also asked for reinforcement of the Legislative Palace's security unit. He wants to keep Central Institute students from persisting in their efforts to burn the house of the people, as many of its windows were broken and one door and window were burned with Molotov cocktails. The students are inside their building and behind barricades they put up along 9th Avenue.

Students of the Central Teaching School have given a 12-hour deadline for the release of their fellow students. The students, who compose the Central Students Organized Council [Consejo Organizado de Estudiantes Centralistas], COEC, have given the authorities this deadline to release their fellow students. The arrested students were arrested during last night's demonstration, which ended in front of the National Palace. The COEC students strongly stated if their demand is not met, they would not be held responsible for any of their strong actions against a strategic location.

The above demand is stated in a communique handed to reporters covering the Legislative Assembly shortly before the students left and cleared the streets. Calm has now been restored to the sector shaken by the students' actions not long ago. In this same communique, the COEC holds the national police directly responsible for whatever may happen to all students, specifically to the students who were unfairly arrested. The arrested students were peacefully participating in an authorized demonstration.

Serious incidents were reported outside the Congress. The main door of the white building was hit as a result of the secondary students' fury. Serious incidents occurred today outside the Congress. Secondary students attacked the legislative building at approximately 0800. First, they prevented the administrative staff and some deputies from entering. All was confusion in the Congress, so security policemen and the national police director were immediately called. Meanwhile, students burned a mass transit bus and tires on 9th Avenue and 10th Street, in Zone 1.

Congress President Barillas immediately called the Congress security policemen inside the building. He told them to take security measures to prevent new attacks on the building or its takeover, as was announced a few days ago.

A few minutes ago, Government Minister [title as heard] Roberto Valle said several people were arrested during this morning's disturbances on 9th Avenue between 9th and 8th Streets. These people are under investigation. The minister said this movement is totally led by well-known radical groups, although secondary students are being blamed for it. He said people were seen trying to demonstrate, carrying sticks and gasoline-filled bottles. According to the minister, a strong hand will have to used, but within the law, against all the people involved in this morning's disturbances. He explained that public and private property were destroyed. That is why the responsible people must be found.

Honduras

Foreign Minister Comments on Guatemala Meeting

PA0508181088 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 5 Aug 88

[Report by unidentified reporter on "exclusive statement" by Foreign Minister Carlos Lopez Contreras for "This Very Day" newscast—date and place not given]

[Text] Foreign Minister Lopez Contreras said George Shultz did not come to impose anything on Central American foreign ministers and that there was no consensus, because Guatemala and Costa Rica assumed a surprising position. Foreign Minister Lopez commented on the failure of the talks and on the Honduran, Costa Rican, and Guatemalan positions.

[Begin Lopez Contreras recording, in progress] ...first, they were opposed to condemning those countries where a political party rules over the state, government, and Armed Forces; they were also opposed to discussing the problem of regional security; they opposed establishing a system of consultation between the five foreign ministers, including Secretary Shultz; they opposed an evaluation of the Esquipulas II procedures.

By the way, Esquipulas II is a subject that is on the agenda of politicians of democratic and anti-democratic governments, of politicians and individuals without [words indistinct]. We felt it was inconceivable not to discuss the subject of Esqupulas II in a meeting of five democracies in Central America to discuss peace and security. However, Costa Rica was opposed to it, although it had already made a judgement, a self-evaluation—as the Honduran document issued in Guatemala said—on its compliance with the Esquipulas II agreement.

Honduras felt it was essential to discuss those subjects—not to condemn anyone, but to give substance and [words indistinct].

Costa Rica was also opposed to the mentioning of economic cooperation programs between the United States and Central America in the final declaration. Frankly, this was very surprising to Honduras, because Costa Rica maintains a high level of cooperation with the United States in Central America.

Finally, the Costa Rican Government was opposed to protesting and condemning subversion in the Caribbean and Central America and identifying Soviet bloc countries as the promoters of that subversion.

Having an agenda that excluded those essential factors in the Central American crisis was tantamount to holding a special meeting and issuing a dull document. I stated this in various news conferences in Guatemala; I reiterated it at private meetings and at the plenary meeting. I also said this in statements to the media, because I felt it was improper to attend a meeting in Guatemala where I should represent and promote Honduran economic, political, and security interests and sign a shapeless and insubstantial document. Therefore, I stated my objections. [end recording]

Lopez Contreras also referred to the demands made here by the (?U.S.) Government and to the Guatemalan president's statement praising the rejection of George Shultz' proposals. What does this mean?

[Begin Lopez Contreras recording] It does not mean anything, because there were no demands. I can assure you... [changes thought] if you review the video tapes of the news conference held by the five foreign ministers in Guatemala City, you will see Guatemalan Foreign Minister Cabrera categorically saying no pressures had been exerted on the Guatemalan Government. Honduras and Costa Rica also said the same thing. Honduras made its own proposals at the meeting. We are very concerned about security matters, and it cannot be any other way. Honduras is a neutral country, where there are approximately 400,000 foreigners, 200,000 refugees; its territory is being used by armed groups in El Salvador and Nicaragua; and those neighboring countries make armed incursions pursuing their internal opposition.

There is a political and security crisis. As a responsible government, we must protest and request cooperation and support to save our country from that crisis. [end recording]

Army Commander Denies Military Coup Rumors

PA0608212988 Panama City ACAN in Spanish 1709 GMT 6 Aug 88

[Text] Tegucigalpa, 6 Aug (ACAN-EFE)—Today Honduran Army Commander General Humberto Regalado Hernandez said "it is very difficult for our system of government to survive with a Marxist-Leninist government in Nicaragua."

Regalado made these remarks to a group of reporters who accompanied him to La Mosquitia, where he participated in the ceremony to commemorate the foundation of the 5th Infantry Battalion.

He added: "The future of our system of government is uncertain not only because of the regime in Nicaragua but also because of the present armed conflicts in other neighboring countries such as Guatemala and El Salvador." However, the military chief pointed out, "we Hondurans have the obligation to be prepared to protect the political system established in the country, because we are in the middle of an ideological struggle in which mediators are ineffective."

Regalado explained that Hondurans "are obligated to try together with with the Armed Forces, using good judgment, to strengthen the system of democratic government Hondurans are now enjoying."

In this regard, the Honduran military chief reiterated for the third time that the Army is not planning a coup d'etat, as the media has been reporting for over a month.

"Officers are aware that the Honduran Armed Forces were not created to rule the country, but we are willing to contribute to the country's development," Regalado Hernandez stated.

Supports Contra Military Aid

PA0708152788 Buenos Aires REUTER in Spanish 0529 GMT 6 Aug 88

[Excerpts] Mocoron, Honduras, 5 Aug (REUTER)—Today Honduran Armed Forces Chief General Humberto Regalado said that he admires the Nicaraguan contras and urged the U.S. Congress to renew military aid for the contras to force the Sandinists to introduce democratic changes.

In an interview during a ceremony at a remote military base in northeastern Honduras, Gen Regalado said: "We admire the Nicaraguan citizens who equip themselves and struggle to free their country from the communist system."

Gen Regalado told REUTER and a European television station that the contras are beneficial to Honduras because "if it was not for the people who struggle against Sandinism, the Hondurans who live along the border with Nicaragua, would have already been blackmailed."

Asked about whether he favors the renewal of U.S. military aid for the contras, Regalado said: "We favor U.S. military aid to the contras because, I believe, [contras and Sandinists] will only continue talking under that pressure."

Since the United States cut off military aid to the contras last February, Gen Regalado had only hinted at his support for the renewal of the aid. [passage omitted] The new military aid "could violate" the peace plan, Gen Regalado said. However, he added that Nicaragua refused to introduce democratic changes and that Nicaragua is mainly responsible for the Central American guerrilla war. [passage omitted]

Regalado said: "If the (Nicaraguan) system were better than the Honduran democratic system, perhaps we would have already adopted that system, but no, the people reject that system." [passage omitted]

Gen Regalado made these statements at a ceremony commemorating the 21st anniversary of the 5th battalion.

Nicaragua

Ortega on Contra Aid, Democracy, Health Issues

PA0608221588 Managua Domestic Service in Spanish 1812 GMT 6 Aug 88

[Speech by President Daniel Ortega on occasion of the 9th anniversary of the country's Single Health System and the beginning of the Campaign for the Defense of Children's Lives, at the Francisco Luis Espinoza National Institute in Esteli on 6 August—recorded; all figures as heard]

[Text] Good morning, brothers of heroic Esteli. First, may I remind you that Nicaragua has a population of approximately 3.6 million. Our population growth is approximately 3.4 percent. If we divide this population growth among Nicaraguan women, the average production per women would be 5.5 per year. [sentence as heard] Our population under 14 years of age totals 1,222,488, which is 46.3 percent of our population. The population of children and youths up to 19 years old totals 2,069,858; in other words, 57 percent of the Nicaraguan population is under 19.

We must also remember that before July 1979, 120 children—and in some areas of our country, up to 200—died out of every 1,000 births. Thanks to the efforts of the revolution and to the FSLN's goodwill, this rate has been reduced—despite the many problems we are confronting—to 64.7.

The infant mortality rate is 45.8 [per 1,000] in Latin America, 81.9 in Asia, and 134.3 in Africa. The rate in the United States is 14, while the rate in developed countries is 16.3. Therefore, the U.S. mortality rate is lower than the average rate in developed countries. In

the United States, 14 out of every 1,000 children die. Sweden has the lowest mortality rate among developed countries; it has managed to reduce it to 7.7 per 1,000.

However, there is a great contrast between the infant mortality rate in developing countries, in the so-called Third World countries—Latin America, 45.8; Asia, 81.9; Africa 134.3—and the rate in developed countries.

This poses a big question: What have most of the developed and highly industrialized countries—which have profited and continue to profit from their trade with developing countries and which colonized developing countries in Asia, Africa, and Latin America—done to return some of the wealth they took from those countries and reduce infant mortality in them?

There are countries with exemplary attitudes, such as Sweden, Italy, Spain, Finland, the Soviet Union, and the GDR.

Just like these countries, in the specific case of Nicaragua, we have increased very important resources so we would be able to maintain the infant mortality rate of 64.7, and we are struggling to reduce it even more. Other countries, headed by the United States, have a [words indistinct] attitude, not only concerning Nicaragua but all developing countries.

During a recent meeting in Canada of the seven great industrialized nations, some countries also presented initiatives for establishing new relations with developing countries that would allow an improvement of the social and political situation in the developing countries. However, at that meeting, the United States said no. The British Government also said no. Then the other governments closed ranks. The FRG did likewise.

It was not possible at that meeting to achieve an agreement that would have had great repercussions for improving relations between the highly developed, industrialized countries and the developing countries in a true, objective, specific manner.

Third point: It is also advisable to recall that the revolution, because it is defending children, has carried out programs never before existing in this country's history.

This country once was in the hands of the local bourgeoisie, the local oligarchy. Since 1821, this country had been in the hands of the capitalists; since 1821, this nation had been subjected to what used to be imperialist control.

However, not satisfied with the U.S. influence in the political and cultural spheres, and even with the U.S. military presence itself in Nicaragua, the COSEP [Higher Council of Private Enterprise] members, who have existed in Nicaragua since 1821—they have not been invented now—the capitalists, the exploiters, from 1821 until July 1979, all through the various administrations of various tendencies, and with the United States fully supporting those puppet governments they had in Nicaragua, never worried about the Nicaraguan children. There was not a single child development center or soup kitchen for children in schools here. They did not exist in 1979.

The revolution came and, despite limitations, it was able to build 164 child development centers and eateries for children in urban and rural areas to benefit poor people and workers in the fields and in the cities. Among those who have received the benefits of this are 29,562 children—almost 30,000 children—despite the counterrevolution's destruction of child development centers in their brutal attacks against our towns. They have also destroyed children's eating places.

Fifth point: We also want to emphasize the efforts made throughout these years in the vaccination drives. In 1987, over 3 million people were vaccinated, but the most important thing is that 1,780,735 people were vaccinated during the people's health drives. That is, nearly 60 percent of all people were vaccinated during the people's health drives with the participation of the people. You must take into account we still do not have the complete participation of the people. We are exerting ourselves to get the entire Nicaraguan people to participate in this vaccination drive.

This has allowed us, among other things, to control the outbreaks of polio. In the past, in the times of the conservative and liberal rulers who were subjected to U.S. policy, there was never any interest in carrying out these types of drives in an efficient manner. [Words indistinct] and we have water supply problems and in the case of Managua, where we have a large increase in population, [words indistinct] Managua's populatin has increased. In 1979, 156 communities had water—54 percent of them were rural communities. By 1987, 591 communities had water. There has been an increase in this service.

This service is no longer given to 54 percent of the rural zones; water is now provided to 86 percent of all the rural zones, and the figure continues to grow. We still have much to do, and we must exert ourselves to use the communities' resources, the government's resources, and the resources provided by other countries' solidarity and cooperation to continue the programs.

We also cannot forget the efforts that have affected Nicaraguan children and adults throughout our society. I mean the literacy campaign, which has reduced illiteracy in our country from 50.3 percent to 12.9 percent. Also, only 1 special education school existed prior to the revolution; we now have 24 special education schools. Furthermore, the special education school that existed before the revolution was located in Managua. We now have 24 special education schools in different areas of our territory.

We exerted ourselves to the utmost to maintain the Nicaraguan children's education, and their education is subsidized by the government. We also subsidize medical services and the medicine given to pregnant women and children under 6 years old. In other words, we have a subsidy policy that comes first when we sit down to make calculations based on our economic reality. We must maintain that subsidy policy or else we would be denying vital elements of our revolutionary process.

While we exert ourselves... [changes thought] while the revolution has set itself this and other goals and has taken specific steps to benefit the Nicaraguan children and the Nicaraguan people, the United States has destroyed what Nicaragua has built. Our enemies, the Yankee government, the armed counterrevolutionaries, and the unarmed counterrevolutionaries, meaning our enemies, the enemies of the changes that occurred in 1979... [changes thought] those who agreed with the situation before 1979 and claimed everything was better, now say that Nicaragua had lived its golden years from 1821 to 1979.

Those years were certainly better for them, the exploiters, but not for the people. The people's good times began in 1979. Our enemies want to hold the revolution responsible for Nicaragua's economic problems.

They try to hide a truth, a truth that is there, in full view. The Nicaraguan people are the best witnesses and the best ones to verify that truth.

It is true what they say that as we make efforts to build health centers, to construct children's health centers, the U.S. Government not only orders the destruction of the health centers, but orders the assassination of Nicaraguan children, the Nicaraguan people. To 30 June, according to the latest data that we have—we have to add the figures after 30 June—the war the United States has been waging against Nicaragua since January 1981 has already claimed 54,553 victims... [15-second station break] and $12.216 billion in losses. Of the casualties, 457 have been children under 15 years old, children less than 15 years old. [repeats himself]. A total of 1,541 have been wounded, many of whom are mutilated—and under 15 years old—and 1,149 have been kidnapped. A total of 1,102 youths 15-20 years old have been murdered, 1,866 mutilated, and 1,545 kidnapped. If we add together those under 15 and those 15-20, we get a total of 7,203 casualties from this terrorist policy of the U.S. Government.

We are not [words indistinct] of which we have to mention only that—despite capitalism, COSEP, the liberal and conservative governments, all the Yankee influence, the democratizing orientation the Yankees gave those governments, the backing the Yankees gave those governments, the financing the Yankees gave those governments, all the money they gave those governments—189 health centers were constructed in Nicaragua from 1821-1979; and in 9 years of revolution, we went from 189 health centers to 606 health centers. Therefore, who is constructing and who is destroying? The Yankees are not only destroying now—and COSEP is an accomplice of the politicians who want to return to the past—and the armed contras are not only destroying now, but they destroyed, exploited, and bled our people from 1821 to 1979.

We have not yet forced them to give an accounting of the economic, political, and social crimes they committed against the people all those years.

While the revolution has built, Reagan has destroyed 29 health centers and damaged 99 others; this is to say, more than 100 in all. Reagan has also ordered the murder of medical doctors and nurses who were working in those health centers, including doctors from other countries who came here with a great spirit of solidarity with, and love for, the Nicaraguan people. They set the example as doctors, because they did not want to accumulate money but serve the people. These doctors set the pace for others in our country who lack this spirit. These doctors from other countries have also risked their lives to work for lowly people in rural areas and the mountains, where Reagan has ordered them killed.

As you know, the U.S. Congress is discussing more aid, more financing for the mercenary forces, and discussing the proposals of Republicans and Democrats who favor the resumption of what they call humanitarian and even military aid. This is an example of that terrorist policy, where the Yankee Congress ignores international law. It ignores even more the International Court of Justice ruling that has condemned the United States for its crimes against Nicaragua.

This agrees with what we call imperialism. This is an imperialist stance, which is also being reflected by Mr Bush. In a speech in Texas the day before yesterday, he lashed out at candidate Dukakis, saying Dukakis wants to do away with the Monroe Doctrine, that Dukakis wants international organizations and the United Nations to solve regional conflicts, although this is up to the United States. In other words, Bush put the United States above all nations on earth with an imperialist, hegemonic stance of state terrorism, disrespecting Latin American and Caribbean nations and all the other countries of the world.

If the Yankee Congress and Reagan are really interested in strengthening democracy in Nicaragua, all they have to do is immediately stop their dirty war against the Nicaraguan people. We are not asking them to send us the money they have requested to assassinate the Nicaraguan people. We are not asking them to send us the money to rehabilitate the children they have assassinated [as heard]. We are not asking them to send that money. We are simply demanding they respect international laws; respect the U.S. people, whom they have not consulted to carry out this terrorist policy against Nicaragua; and stop their aggression against the Nicaraguan people. That would be the best U.S. contribution toward peace and democracy right now.

Otherwise, as long as the Yankee Congress discusses, in the cynical way it does, the approval or nonapproval of financial aid to the mercenaries—whether it will be sent as humanitarian or military aid; how it will be sent if it is to be military aid—the Yankee government and the Yankee Congress is definitely... [14-second station break]

Ninth point: The Yankee government's attitude does not [words indistinct] our proposals for peace and democracy. Our proposals for peace and democracy are based primarily on the Nicaraguan Government's and FSLN's duty to defend the Nicaraguan children. That is why we have gathered here today, 6 August, on the eve of the Esquipulas agreements' anniversary. The Esquipulas peace agreements emphasize all the Central American governments' obligation to defend the Central American children. The Central American children must be defended with health programs, education programs, and all kinds of programs that force anyone who (?hoards) his capital to redistribute that money with justice.

That is our idea of a true democracy, and that is what the Central Americans pledged to do 1 year ago on 7 August, when we signed the Esquipulas agreements in Guatemala City. We pledged not to become the instruments of the warmongering policy sponsored by the United States in Central America. The Central Americans also pledged to advocate dialogues and peaceful solutions to conflicts.

We have gathered in Esteli today to launch a new phase of the national campaign for the defense of children's lives—because this national campaign for the defense of children's lives in Nicaragua began on 19 July 1979.

We have established a committee to achieve a greater participation of all sectors of Nicaraguan society on behalf of Nicaraguan children so that resources and assets will be allocated to the Nicaraguan children consistently and with coordination. Using our own resources, we will make the utmost effort to use our limited resources efficiently along with the contribution of our brother peoples, the friendly governments, the international organizations, the nongovernmental organizations, the religious organizations, and brothers and comrades such as the Italian doctor who presented his report here, as one more citizen of the world who is fulfilling a task here in Nicaragua. He is Dr Mauro Gaspar, who has been working in the Region 6 for 6 years. With that same willingness and that same attitude of humility and brotherhood shared by the humble and simple people, let us all, committed to this drive, continue working for the Nicaraguan children.

We are sure we will work with the same optimism shown by the comrades who presented their reports here. They have great limitations but much optimism and responsibility. A prominent role is played by the health workers, the rural teachers, and the workers who are involved in various activities that concretely support this effort. We are confident and sure all of this work will count with greater participation from the Nicaraguan people. We are inviting all Nicaraguans—regardless of their political and ideological views, because the defense of children is not the task of a single party or the government. Instead, it is the task of all Nicaraguans, because when we defend children, when we defend the people's health, no differentiations are made regarding the ideological and political views of the children's parents or the adults receiving the health services.

We demand that the counterrevolution, Reagan's mercenaries, and above all the U.S. Government stop the aggression and seek the dialogue that Nicaragua is willing to hold with the United States to normalize relations. We demand that the United States and its mercenary forces—because they are mercenary forces of the Yankee government—respect the suspension of offensive operations so that, in this way, the work for the Nicaraguan children will not be hindered by the mercenaries' cowardly and criminal attacks.

Our call today is to all the Nicaraguan people, to the entire nation, to act with responsibility, patriotism, firmness, and dignity in the defense of the Nicaraguan children. Free fatherland [crowd shouts: "Or death!"]

'Ban' on Ortega Presence at Borja Inauguration

PA0708164788 Panama City ACAN in Spanish
1501 GMT 7 Aug 88

[Text] Panama City, 7 Aug (ACAN-EFE)—The Nicaraguan Embassy in Panama announced today that Nicaraguan President Daniel Ortega will visit Panama and Ecuador, but that in Ecuador he will not attend Rodrigo Borja's presidential inauguration, because of an order issued by the Ecuadoran Government.

On 6 August, members of the Nicaraguan delegation, who were preparing Ortega's visit to Ecuador, said in Quito that outgoing President Leon Febres-Cordero decided to ban the entry of the plane that would bring Ortega to Ecuador. Ortega was expected to attend Borja's presidential inauguration on 10 August.

The Nicaraguan diplomatic source in Panama told ACAN-EFE that Ortega will arrive in Ecuador immediately after the inauguration ceremony.

Febres' decision, announced by the Ecuadoran Foreign Ministry on 5 August, stated that "only when he (Febres) is no longer president, will Ortega enter Ecuador."

The inaugural ceremony in Quito was also going to serve as the occasion for the resumption of diplomatic relations between Nicaragua and Ecuador, which were broken in 1985 as a result of accusations exchanged between Presidents Febres-Cordero and Daniel Ortega.

In addition, the Nicaraguan diplomatic source confirmed that Ortega's visit to Panama will take place on the scheduled date, although he did not give information on Ortega's activities in Panama.

Ortega should arrive in Panama City on 9 August and will spend 22 hours here. Local political sectors expect him to participate in the closing ceremony of the preparatory meeting for the "Second Amphyctionic Congress of Panama," which will open in Panama City on 8 August.

In Managua, Nicaraguan Vice Foreign Minister Victor Hugo Tinoco confirmed Ortega's visit to Panama, but refused for security reasons to provide details.

BARRICADA on Reagan Campaign Against Country

PA0608025088 Managua BARRICADA in Spanish 4 Aug 88 p 3

[Editorial: "Using the Civilian Opposition as Ammunition"]

[Text] Faced with the political scheming of Yankee congressmen and ending his term with an unsuccessful policy, the U.S. President has personally waged a campaign against Nicaragua to obtain congressional approval for more aid to the contras.

Although this is not new, it is very significant at this time and explains the virulent campaign against the Nicaraguan revolution. During his two presidential terms, Reagan has based his policy on the contention that Nicaragua will only yield to military, political, economic, and diplomatic pressures.

Nothing he has done, however, has produced the expected results. War, the contras, economic blockade, terrorism, bribing traitors, manipulating minority groups, campaigns to discredit Sandinist leaders, manipulating religious groups, and the economic crisis have all failed. Shultz' trips and the complicity of his Central American allies have been ineffective.

More than his obsession, President Reagan's personal involvement in this matter reflects his solitude and frustration, because after practically using up all his ammunition, making personal appeals is the only way he has left to push his policy.

In that regard, Peter Flaherty, who heads the "Group of Citizens for Reagan," made a very revealing statement when he said Senator Dole's draft bill for contra aid may not be approved without President Reagan taking an active role.

Using his unrealistic imperialist logic, the U.S. President is trying to back his own role with the weakest, most lifeless, and most discredited local recourse: the so-called "civilian opposition." He is doing so by depicting its leaders as "victims" following their actions against state laws. In other words, in the final days of the Reagan era, he is trying against all odds to achieve with a few politicians submissive to the United States what he was not able to accomplish with the contras and his policy of force in 8 straight years.

In view of the inability shown by his supporters, President Reagan has had to take his ragged flag in his own hands, which shows that his policy has failed and that he has been largely abandoned.

The attack on the "Mission for Peace" boat, which had 200 civilians on board, 2 of whom were killed and 27 wounded, is more evidence that the war is not over. This attack also shows from which side the shots are coming. It also uncovers the lies and hypocrisy of the alleged "victims" Mr Reagan is defending.

All the fuss about "violations of the Esquipulas agreement" and the withdrawal of some politicians from the debates on the Electoral Law will not stop the process to improve democracy in Nicaragua. On the contrary, if the opposition again chooses to stay on the sidelines as it did in 1984, it will only prove to the public that the opposition has never really been prepared to test its strength against that of the Sandinists.

Opposition, Unions Demand Government Reforms

PA0808010988 Panama City ACAN in Spanish 2341 GMT 7 Aug 88

[Excerpts] Managua, 7 Aug (ACAN-EFE)—According to political sources, today the internal political opposition and four anti-Sandinist labor federations demanded the repeal of the current media law, even though the government no longer censors material before it is disseminated by the news media.

The opposition also demanded the repeal of the law on public order and security, which the Sandinist administration uses against its opponents.

These agreements, among others, were reached by the symposium commemorating the 1st anniversary of the Esquipulas II agreements, which was held this weekend by the Permanent Workers' Congress (CPT). The 14 opposition political parties also participated. [passage omitted]

The symposium, which the organizers said represented a step toward unifying the four labor federations and the political parties, concluded that domestic democratization requires a number of amendments to the current Constitution.

In its final declaration, the symposium also demanded that the authorities revise the newly promulgated law on municipalities and the electoral bill, currently under discussion by the National Assembly.

The CPT—which was founded in September last year and has a membership of 100,000, according to its leaders—and the 14 opposition parties demanded the release of all political prisoners and the "immediate" reestablishment of freedom of information, organization, and political mobilization.

They also demanded the reopening of Radio Catolica, which was closed by the government on 11 July as punishment for the way in which it reported on the 10 July battle between the police and the opposition in Nandaime.

The declaration also demanded an end to the draft and a tripartite dialogue between the government, the armed resistance movement, and the civic opposition "to ease the overall crisis in the country and to seek a peace agreement."

According to the opposition, the domestic conflict in Nicaragua must be analyzed and settled independently from any other internal conflict in Central America.

"The government's noncompliance with the Esquipulas II agreements has resulted in a prolonged armed conflict and an extremely serious overall crisis characterized by the abuse of power," the declaration issued by the symposium asserted.

Media Directorate Suspends Humor Weekly

PA0608042988 Managua BARRICADA in Spanish 5 Aug 88 p 5

[Resolution issued by the Media Directorate of the Interior Ministry in Managua on 4 August]

[Text] Whereas:

1. The weekly LA SEMANA COMICA [THE WEEK IN HUMOR] on pages 5 and 7 of its issue number 392 published a text and pictures that show disrespect for women, harm women's human dignity, and also show disrespect for other values of the Nicaraguan people in general;

2. This has elicited a justified protest by an association that represents Nicaraguan women and various sectors of Nicaraguan society; and

3. This kind of publication has been forbidden by Article 3, Paragraphs A, B, and C of the General Provisional Media Law;

Therefore:

Based on Article 7 of the General Provisional Law and Article 46 of the General Media Regulations, the publication of LA SEMANA COMICA will be temporarily suspended as of the publication of this resolution.

Managua, 4 August 1988

First Lieutenant Lissette Torres Morales, head of the Interior Ministry's Media Directorate

Panama

Noriega Reportedly Plans Move to Caracas

PA0708223788 Buenos Aires REUTER in Spanish 2126 GMT 7 Aug 88

[Excerpts] Caracas, 7 Aug (REUTER)—A Venezuelan daily newspaper reported here today that Panamanian strongman General Manuel Antonio Noriega has bought a penthouse in one of Caracas' most well-to-do districts and plans to move there in March. Panamanian Embassy officials were not available for comment.

EL NUEVO PAIS said that Noriega's alleged decision to move there is part of a plan to step down, a plan in which Venezuelan presidential candidate Carlos Andres Perez, an old friend of Noriega, played an important role.

Noriega would move to Caracas in March 1988 [year as received], following the inauguration of the new [Venezuelan] administration, which would probably be headed by Perez, the newspaper said. [passage omitted on Venezuelan politics]

Citing unconfirmed reports, EL NUEVO PAIS said that Noriega is expected to resign this month and to travel to Spanish and Portuguese beach resorts while the Caracas residence is made ready.

Noriega's future residence is located in the Colinas Arriba district, in southeastern Caracas. This is one of city's most expensive residential areas facing several golf courses, the newspaper noted.

The penthouse—which is worth 8 million bolivares ($550,000)—is located in a building which is heavily guarded and which has closed-circuit television surveillance and bullet-proof doors, reported the centrist newspaper.

Solis: U.S. 'Must' Give Visas for UN Meeting

PA0608004988 Panama City ACAN in Spanish 0026 GMT 6 Aug 88

[Excerpt] Panama City, 5 Aug (ACAN-EFE)—Today Manuel Solis Palma, Panamanian minister in charge of the Presidency, said that he will go to the UN General Assembly meeting in September even if the United States does not recognize him as Panama's legitimate ruler.

The Panamanian head of state said the United Nations "has been declared universal territory," so "the United States must" give visas to everyone who attends UN meetings. [passage omitted]

Solis on U.S. 'Aggression,' Facing Problems

PA0508234388 Panama City Domestic Service in Spanish 2140 GMT 5 Aug 88

[Speech by Manuel Solis Palma, minister in charge of the Presidency, at the swearing-in ceremony of the National Consultation and Political Advisory Commission at the Atlapa Convention Center in Panama City—live]

[Text] Magistrate Marisol Reyes de Vasquez, president of the Supreme Court of Justice; Messrs ministers and deputy ministers; Mrs Yolando Pulice de Rodriguez, president of the Electoral Tribunal; Messrs Supreme Court Justices; directors and deputy directors of decentralized organizations; Colonel Julio Ow Young and members of the Panama Defense Forces General Staff; Luis Chen, magistrate of the Electoral Tribunal; honorable legislators; Mr Attorney General; Mr Deputy Comptroller; Mr Governor of Panama Province; Mesdames Mayors of Panama and San Miguelito Districts; Messrs members of the executive branch's National Consultation and Political Advisory Commission; Messrs representatives of political parties; Messrs members of the Popular Unity Front organizations; special guests; newsmen; ladies and gentlemen:

The presence of the Panamanian state's key officials and of a large sector of the Panamanian population at this ceremony indicates the importance of the establishment of the executive branch's Consultation and Political Advisory Commission to the country and to the Republic's future. It convinces me once again that the course of history can be delayed or speeded up, but never diverted.

Panama's destiny will be determined through the history that is written today by its popular forces and by all those who believe in the need to live in a free, sovereign, and independent nation.

Panama's secession from Colombia involved men who did it for love of the fatherland, other men who saw it as a way to defend their interests, and others who never understood the movement. Each stage and moment of history has these elements: those who believe in their country, those who love their nation, those who feel the need to be free, those who subordinate the Republic's destiny to their personal interests, and the indifferent who do not understand the historic moments that they must experience and in which they must participate.

We are all aware—and the popular sectors have experienced it more than anyone—of the aggression against our Republic, our country, and our fatherland. We have all felt the immoral policy and insolence of a powerful country toward our small country. I think, however, that we are even more hurt by the lack of understanding and cooperation of those who are betraying us from within and are attacking all our institutions, development, and future, either because they have given themselves over to foreign interests or simply because they do not have the sensitivity of Panamanians. [applause]

We have faced many problems. We continue to face many problems. I am the first to admit that we have not done all we could have done and that there is still much to be done. I have said many times that there are two ways to look at a glass of water. Some say optimistically that the glass is half full. These are the conformists. Then there are some of us who think that what always matters is to see how much is left to be filled—how much water is needed to fill the glass. We are the demanding ones, the ones who always ask for more, who have national feelings, and who believe in the need to give everything to the Panamanian people. [applause]

I am not satisfied with what we are doing and have done. I think we still have much more than half of the glass to fill, and we must make this effort. I worry often about the overconfident attitude of some people who think we are out of the crisis. We are not out of it. We are still in it, in the midst of it. The fact that we have overcome the tough times at the beginning does not mean we have overcome all of the problems that have been and are being caused by that infamous aggression. It is said someone merely walking in a funeral procession thinks differently than the one who has to carry the coffin, and I am happy that today a commission from the popular forces—from the people who have a very deep feeling about our country, our nationalism, and our destiny—have joined the executive branch's National Consultation and Political Advisory Commission. This way all of us will be carrying the coffin. We hope from now on those in the procession and the ones carrying the coffin will begin to see things the same way. [applause]

This is our wish. There will be a small problem, though: how to set up and use a commission that is made up of 16 members and 32 alternate members. The commission is large. It is often hard to get three people to meet and to put them to work. Working with 16 and 32 people also makes it very difficult to do this. We will do all we can, however, and I am sure they will also make their best efforts. I am sure they will seek harmony and together will address all of the problems we are facing so we can give the country the minimum solutions possible.

It is true we have to devise coherent programs to confront the enemy. We not only have to confront the enemy but also give the majority of the Panamanian people peace of mind and well-being. Drafting this program is much more difficult and slower work than I could have imagined, though. It seems that during the 3 years I was at the Education Ministry I carried only a small part of the coffin on my shoulders. I now notice it is much heavier than I thought. [applause]

The irritating, paralyzing bureaucratic mentality is so deeply ingrained in us that it is difficult to get people going. [applause] Ask an official for an immediate answer and he will say: Wait 3 days, wait 1 week. [applause] Inertia is a burden on all of us. We are too

mindful of the time to leave work, not of the time to arrive at work. [applause] Many times we do not devote or sacrifice the time required to give urgently needed answers. [applause]

Quite often we forget that we are receiving some money, whether a check or cash, and that there are many others who are receiving nothing, yet we are not giving them the attention and answers they deserve. [applause] However, I do feel that we have made progress. An optimist might say that a couple of centimeters of water have been poured into a glass, whereas a demanding person might say that we are way below the expected level and that there is much more to do.

The measures adopted are not moralistic measures. When we speak of cutbacks and austerity we do not do so from a moralistic standpoint; we do so because we are obligated to act seriously, honestly, and responsibly. It is true that the recommendations made during the first phase of the national dialogue have not been carried out. Many things that were suggested were never carried out. Many times I feel strange when I think that 5 months ago we were talking about minting our own coins. Some said it would take 6, 8, or 10 weeks to do this, but 5 months have already gone by, and we have not begun to mint our own coins. These things are happening and we are trying to change them. However, it is a complex situation. Let's hope that with the help of the 16, plus the 32, we will be able to implement many of these suggestions. [applause]

I am going to ask my friend [People's Unity Front alternate representative] Julio Bermudez not to jump ship; stay on it. It is your responsibility to stay on board. Throw those who are no good off, but you stay on it. [applause] I share my friend Julio Bermudez' feelings. We must adopt solid economic measures. However, there are times when it is very difficult to implement even minor measures, such as putting an end to the sinecures or, as Bermudez has said, the big fat sinecures. Many times these sinecures are so well hidden that we cannot find them; they are invisible. They never show up at our office to sign their discharge papers. However, I am sure that from now on things will be different. I do not know what the sinecures will do now that they will have so many eyes on them. [applause]

There is no such thing as an IMF policy. I wish we could avoid firing some government employees. I would rather not fire them. I am convinced that the government does not have too many employees. However, there are some employees who have nothing to do or who do nothing. That is a different matter. There is much to be done. We cannot talk about too many government employees when our city is dirty, when the grass is tall and when there is no one to cut it, when there are roads that must be repaired, when there are so many services that the people are not receiving. The 147,000 government employees are not enough to do all that must be done. The problem is that we have government employees assigned to areas where they are not needed. This is not good. This is not good. [repeats himself] I wish we could transfer those who are doing nothing to a post where there is something to do, and there are many such posts. However, we have a problem. How do we go about balancing our income and our expenses?

The aggression was harder and deeper than we could imagine. In March we expected to get $114 million balboas in revenue. We only received $37 million, however, and we had the same expenses. How does one resolve this problem? How did we resolve this problem? By not paying for our rent or insurance policies, by decreasing the number of services, and by paying with checks and hoping that the person would take his time before depositing them at the National Bank of Panama. We had to find ways to prevent the government's collapse, which is something that we cannot allow. During the months that followed, our income continued to be approximately $30 million monthly, but government wages alone come to $47 million. We had to find a way to balance this difference.

The external and internal aggression has limited our resources. We have not received the monthly canal payments. We have not received payments due from certain U.S. companies. There has been a considerable decrease, almost 80 percent, in import revenue. There has been a decrease of more than 30 percent in the ITBM [sales tax]. All of this is having a considerable effect on the government's ability to take action.

The necessary change in Panama's economy and its trade relations cannot be achieved overnight, because bureaucracy does not only exist in Panama; it is worldwide. Other countries also have bureaucracies. Just as our employees forget about those who are hungry, the bureaucrats of other countries at times forget our hunger and our urgent need to resolve our problems, and they take the long road to solutions. It is only now that we are beginning to see a glimpse of possible change, of different relations, of aid that was promised with the best of intentions but that was not provided quickly because of bureaucracy. These are realities that we are facing. These are our day-to-day realities, and we are trying to respond to them.

I do not believe that we have done everything possible. We could have done much more, but we are all learning at this time. We are all facing a new system. Our magnificent, patriotic, time-honored economists, who are willing to give their all to their country, still have the economic beliefs of people who have never had to sell their biweekly wages at a 10 percent loss [reference to people who pay 10 percent to lenders to have their government checks cashed]. When they find that we have to deal with usurers, they are amazed. However, if they had ever had to sell their paychecks in order to eat, they would not be so surprised.

We have to achieve an absolute change in mentality. There must be a total transformation in each of us in order to face up to this reality. I want to say something

that I think is much more important: Despite the difficulties, I am firmly convinced that Panama will emerge from this crisis strengthened, because we will be different. [applause] We will be ourselves, because we have learned not to depend on or humble ourselves before anyone. That is fundamental. [applause]

That is the lesson history has taught us. That is the lesson that we have learned from the present circumstances. I have deep faith in the Republic's future, because our people have shown themselves to be as patriotic, responsible, ingenious, and worthy as the best peoples of the world. Thank you very much.

Ortega Visit To Build 'Stronger, Closer' Ties

PA0508210788 Panama City ACAN in Spanish 1939 GMT 5 Aug 88

[Excerpts] Panama City, 5 Aug (ACAN-EFE)—Next Tuesday Nicaraguan President Daniel Ortega will visit Panama, for the second time in less than a year. He is the only head of state who has come to Panama after the February crisis involving General Manuel Antonio Noriega and ousted President Eric Arturo Delvalle.

Alejandro Arguelles, Nicaraguan ambassador in this city, said to ACAN-EFE that Ortega's visit to Panama is aimed at attaining "stronger and closer" relations between the countries which, he said, withstand U.S. "aggressions."

Arguelles asserted that the topics to be discussed between the Nicaraguan president and Panamanian leaders include political relations between the two countries and the Central American situation.

Neither Panamanian authorities nor the Nicaraguan Embassy in this capital have revealed Ortega's agenda or the officials with whom he will meet.

Ortega, whose regime was among the first to recognize the new Panamanian Government that came to power on 26 February, will make a 22-hour stopover in this city en route to Ecuador to attend Rodrigo Borja's inauguration.

During his 6-hour visit to Panama on 24 June 1987, Ortega met with former President Eric Arturo Delvalle. During the meeting, they analyzed, among other things, the future of the Contadora Group and its efforts in the peace process. [passage omitted]

Edwin Cabrera, who is in charge of the opposition Christian Democratic Party's public information office, termed Ortega's visit to Panama "the totalitarian Nicaraguan regime's recognition of our country's totalitarian regime."

Nevertheless, Guillermo Endara, leader of the Authentic Pamanenist Party—the main opposition party—minimized the importance of Ortega's visit to Panama and asserted that he "sees no importance" in the trip.

The parties allied with the government (the Democratic Revolutionary Party, the Labor Party, the Revolutionary Panamenista Party, and the Liberal Party) were pleased with the Nicaraguan president's upcoming visit to Panama.

According to the Nicaraguan ambassador to Panama, the official delegation accompanying President Ortega will be composed of Foreign Minister Miguel D'Escoto, Vice Foreign Minister Jose Leon Talavera, Tourism Minister Herty Lewites, and some military officers.

The Panamanian Foreign Ministry and the presidential Press and Information Office have yet to issue a comment on Ortega's visit.

Ritter on Delvalle-Noriega Delegates Meeting

PA0608005688 Panama City Circuito RPC Television in Spanish 2300 GMT 5 Aug 88

[Report on statement by Foreign Minister Jorge Ritter before departing for Bogota, Colombia, on 5 August—place not given]

[Text] Panamanian Foreign Minister Jorge Ritter was asked whether a meeting has taken place between deposed President Eric Arturo Delvalle and representatives of General Manuel Antonio Noriega to discuss ways to find a solution to the country's grave crisis, as reported by THE MIAMI HERALD. The Panamanian foreign minister said:

[Begin Ritter recording] Well, U.S. press reports have been generally biased toward stirring up problems in order for unimportant people to feel important. That is the purpose and strategy of recent press reports, which have also varied widely, depending on the media involved.

In some cases, reports announce that Gen Noriega sent representatives to Delvalle. Others say that former President Delvalle sent representatives to Gen Noriega. Still others say that contacts are under way—according to this morning's latest reports—to see whether representatives from both sides can meet. Therefore, when there are so many different versions of a single incident, it only reflects the fact that the information is untrustworthy, and it is difficult to say what is true and what is not. [end recording]

Delvalle Said Seeking End To 'Captivity'

PA0608203188 Panama City CRITICA in Spanish 6 Aug 88 pp 1, 8

[By Antonio Graell Flores]

[Text] Former President [Eric Arturo] Delvalle has used Onassis Garcia, the Garcia de Paredes family and other relatives, as well as [former Commerce and Industry Minister] Bernardo Cardenas to seek a negotiated settlement to his captivity.

Jose Isabel Blandon himself said he was appointed by Delvalle to contact President Manuel Solis Palma and General Manuel Antonio Noriega to reach a "Panamanian solution" that will allow him an honorable departure and an opportunity to contribute to the solution to the crisis, which the United States drove him to create in order to confiscate the financial resources of the citizens of his own fatherland.

According to Blandon, Delvalle told him he was "pissed off" [cabriado] about his situation and that Ambassador Arthur Davis had restricted the concessions concerning his room, meal rates, recreation areas, visits by his wife's friends to her at the diplomat's residence in La Cresta, where Davis' daughter—Susan—also felt she was being restricted in the use of her house in terms of receiving friends and hosting personal and political functions, as she is accustomed to doing.

According to Blandon, his mission is to contact the group of black Panamanians who live in New York, whom he claims to have contacted and to have spoken with Mrs Stwar and Archibold [names as published]. He added that Tuturo's brother [Legislator Raul Delvalle] also brought a message to the authorities of the Presidency of the Republic of Panama.

This statement was made by Blandon at a press conference called by the U.S. State Department, which is keeping Blandon under custody and protection and also on the payroll. These statements are also confirmed by the message sent by Blandon to a Democratic Revolutionary Party (PRD) legislator from Veraguas Province.

This report was officially sent from the United States, inasmuch as Mr Blandon's status is subject to the approval of the State Department. According to journalistic observers, this report shows that the U.S. Government needs to keep Eric Arturo Delvalle as a hostage and to foil his original plans of escaping from U.S. custody, which could allow a Panamanian solution.

CRITICA contacted officials from the Presidency, the Foreign Ministry, and the Panama Defense Forces (FDP). The civil authorities said that the administration showed a great deal of respect for the Delvalles following the death of Mr Delvalle's mother, concerning his mother-in-law's illness, and his and his wife's departure [for the United States] with Mr Arthur Davis and their security guards. The civil authorities also said that Mr Delvalle has received messages and has otherwise been kept apprised of everything that has been done on his behalf.

As for the military, a high-ranking FDP officer said: "We know Blandon. We know Tuturo. There are messages and then there are messengers." (ENDALL) 06 Aug jppa0608.03e LO/petty/cn 06/2032z aug

9 Civic Crusade Activists Arrested 5 Aug

PA0508210188 Hamburg DPA in Spanish 2219 GMT 5 Aug 88

[Text] Panama City, 5 Aug (DPA)—The Panamanian authorities have arrested opposition Civic Crusade members Fernando Gonzalez, Danela Guevara, Erick Portugal, Iris Barria, Rolando Aparicio, Jeremias Marin, Zoraida Sanchez, Cecilia Alegre, and Lucia Endrifuf.

Groups of Civic Crusade activists have begun new protests along this city's well-known 50th Street as a result of the latest political developments. One of these developments is that representatives of opposition business sectors are trying to achieve a rapprochement with the Manuel Solis Palma government so as to find the means to hold a "national dialogue."

According to an opposition spokesman, "these activists have returned to the street to protest against General Manuel Antonio Noriega and to make clear their disagreement with any kind of unconditional negotiation between the government and the opposition leadership."

Jose Manuel Faundes, Jr, an attorney with the Human Rights Commission, told DPA he is "trying to have the detained activists released, but so far only Christian Democratic leader Cecilia Alegre has been released."

The opposition Civic Crusade gained strength 15 months ago when retired Colonel Roberto Diaz Herrera shook the country with his disclosures about Gen Noriega and the fraud committed during the 7 May 1984 presidential and legislative elections.

Argentina

Sourrouille Discusses New Economic Plans

PY0608185488 Buenos Aires TELAM in Spanish 1109 GMT 6 Jun 88

[Text] Buenos Aires, 5 Aug (TELAM)—Economy Minister Juan Vital Sourrouille said during a television interview that we will have a single-digit inflation rate by the end of the year. You can be sure of that, he told a reporter.

He denied that the new economic measures will deteriorate the purchasing power of salaries even further, adding that the labor demands to begin collective bargaining and to enforce the law on business labor negotiations have been met.

The interview was broadcast yesterday shortly after 2030 on Channel 13. The minister used plain, simple language; he used no technical terms. He expressed concern about the situation of society's poorer sectors.

The minister said: Workers now have a law on professional associations and a law on collective bargaining for their employers. The goverment has not set salaries for many months. Actually, it has not done it for as long as the people may think. Salaries have been set through labor management negotiations. Therefore, I do not see why this mechanism should be unfit for resolving the salary problem.

He added: Whoever had salary increases designed for high inflation will end their contract with substantially higher purchsing power because the inflation rate will drop.

Asked whether details were disregarded when designing the plan and whether the plan was somewhat improvised, the minister replied: People who think that are wrong.

Sourrouille said: We had to resolve three major points before enforcing the new plan: resolving the fiscal problem, which has already been done; obtaining foreign financial resources, which has already been done; and reaching an accord with the business sector to stop inflation in the least painful and fastest possible way.

The minister said that the first two issues were agreed upon last weekend and that, therefore, only now can we engage in talks with the business sector.

The people have been a bit surprised at the bank holiday and at the closure of the exchange market, which have caused some problems. We want to tell the people that we know that there have been problems. Yet there were some leaks about what we were about to do—particularly concerning the exchange market—and a responsible economy minister, which I think I am, could not leave the exchange market open while there were people who believed that there would be a devaluation. I closed the market because otherwise I would not have been defending your interests and the interests of the population. That is why the plan seemed to have been enforced hastily, the minister said.

Sourrouille stressed that throughout the rest of its term, the government will continue to attempt to control public spending. I would say that the next administration will continue with this effort because this is a problem that we must resolve, he said.

He said he thinks Congress will approve the initiatives sponsored by Public Works and Services Minister Rodolfo Terragno, who proposed that private capital have a part in state-run companies.

I believe Congress will approve this initiative because I believe that there is actually a consensus on the advantages of letting the private sector operate in areas that have been thus far reserved for the government, he noted.

As an example, he mentioned the development of gas, stressing that if we have to wait until the government has enough funds or if we have to raise taxes, we will have to wait too long.

Contrary to what many people expected, this year we had heating in winter because a gas pipeline was built in an intelligent manner in less than 1 year. No one believed we could do it, but we did it.

Public Works Minister on Economy, New Measures

PY0508132088 Buenos Aires Argentina Televisora Color Network in Spanish 0001 GMT 5 Aug 88

[Address to the nation by Public Works and Services Minister Rodolfo Terragno; place not given—live]

[Excerpts] Perhaps you are not interested in budgets, financial statements, and finances. Possibly you do not even want to hear about the foreign debt, the cost of money, or transfers from the treasury. What you know is that this year electricity rates increased in January, February, March, April, June, July, and again last Monday. What you do know is that perhaps your phone is not working or, if you live in Greater Buenos Aires or the country's interior, perhaps you have no water or sewage service. What you do know is that public service rates keep rising, and in many cases the quality of services keeps getting worse. So you are probably asking yourself, what is the government doing? I will tell you what we are doing, and what we will do beginning this week.

Before I tell you that, let us do some thinking together. Do you believe there are government officials who want to increase public rates just because they feel like it? Look, we politicians want to be popular—we need to be popular, because in a democracy if one is unpopular, one is through. If a politician could lower utility rates, provide phones for everyone, and supply water everywhere, he would.

What happens then? Why do we have abrupt utility rate hikes, inefficiency, and bad service? Perhaps you admit that government officials do not increase utility rates just because they want to, but you are convinced they do not know how to fix the situation. I will give you my own opinion. For 40 years I lived with these problems, just like you—from the outside. Now I am living with these problems from the inside. Now I am experiencing how it feels to sit on this side of the counter.

Do you know what the problem is, why utility rate hikes are never enough and you can never enjoy the sort of service you deserve? The main problem is inflation, and do you know why we have inflation? We have inflation because the state is mortgaged, because government finances for many years have gradually been led to a state of bankruptcy. This cannot continue. The know-all state, the state that knew all the answers has failed and no longer has the money. Its enterprises have gone to ruin. Had these enterprises belonged to the private sector, they would have been sold long ago. However, we are keeping them alive artificially. Last year, the treasury had to disburse $2 billion to help the Public Works and Services Ministry's enterprises.

We cannot go on with this patchwork. This is why we have set a plan in motion. You hear about demonopolization; know that there are boards of directors in public enterprises; read that we are negotiating with SAS [Scandinavian Airlines] or with Telefunken of Spain; hear that oil, the Houston plan, or the petroplan are talked about; read that we will have a private petrochemical complex. But what is the meaning of all this? What is the interdependence among these things? What do they have to do with you? Later on we will talk about all this. Let me first tell you how we are attending to the most urgent needs. The state enterprises, we have already said, do not have money. Their resources have to be managed very well, and we have to know where to invest the credit we obtain. Moreover, new schemes of financing have to be devised. Above all, priorities have to be very well defined. And we do define them.

Thousands of phones have to be installed, and we have resorted to a pre-financing plan with Megatel, Inc. In the last 34 months, we have installed 425,000 lines. This is not sufficient, of course, but we will continue to install phones until demands are met. The gas problem had to be resolved. Do you remember that when winter arrived every year, here in Greater Buenos Aires, the gas supply would fall short? When gas was most needed, it was not available: Flames flickered low and heat was weak. With public funds, and with private Argentine and Mexican capital, we had to build a 1,400-km gas pipeline in a record time of 11 months. And today, we have gas. Early this winter we had the coldest temperatures in many years, and there was no gas shortage.

Then, although there was no money and you were encountered deficient services, things started to change. If you have a telephone thanks to Megatel Inc., and if you remember what it was like to cook when there were gas shortages, you will know that I am right. But that is not everything. Services are expensive, yet we must also find a way in which to implement social justice. He who has less must pay less. He who is more needy must come first.

This is why we are designing a utility rate policy with a social objective. First, we had to stop the inflationary spiral because if prices increase every 15 days, and if there is no stability, then it is very difficult to organize a system of differential utility rates and to guarantee their finances.

Today, I can outline some of the measures that we will implement as of 1 October in the public services field. These measures will have appropriate financing. We will not do anything that will aggravate the finances of these companies.

We have simply used our imagination to favor those who need to be helped. The urban and suburban railway service in the Greater Buenos Aires and capital area will, from now on, be free for retirees and pensioners on week days from 1000 to 1600 and from 2100 to 2400.

Retirees and pensioners will be able to travel by train without restrictions and without paying anything by simply showing a card. They will also be entitled to travel free at any time during weekends and on holidays.

This will be possible because Argentine Railroads have implemented a plan to control fare evaders. This plan will increase the company's revenue thus enabling the company to provide these services to retirees and pensioners who are entitled to these benefits. They total some 1 million people.

The long distance railroad services, like, for example, to and from Cordoba, Tucuman, Mendoza, Bariloche, and Mar del Plata, will permit retirees and pensioners to travel at half price from Mondays to Thursday and with a 25-percent discount for the rest of the week.

School and university teachers, professors, and students will be entitled to a 25-percent discount on all short and long distance railroad services all 7 days of the week. This measure will benefit 9 million people.

The retirees and pensioners who receive a minimum retirement payment or pension and who use the services of SEGBA [Greater Buenos Aires Electrical Services] and the State Water and Power Enterprises will be entitled to a 50-percent discount on their electricity bill, to a maximum consumption of 210 kw per 2-month period. This will benefit 3.5 million retirees and pensioners.

Those retirees and pensioners who only receive a minimum payment or pension and who use the services of the State Gas Corporation will only pay half price for the first 100 cubic meters of gas they use.

Those retirees and pensioners on a minimum payment or pension and who use the services of ENTEL [National Telecommunications Enterprise] will get a 25-percent discount on their telephone bills.

The National Sanitary Works will not implement its latest 30-percent increase for those clients who only pay the minimum rate. This measure will benefit 360,000 homes.

This shortfall of revenue will be recouped by the payments of clients who pay the maximum.

All charges for all services will be structured through a system of maximum and minimum rates under which small consumers will pay a preferencial rate. We will also establish a system of large discounts for those who use certain services, such as telephones or transportation, during off-peak hours. This will help relieve these services and it will allow users to pay less.

This will be financed by funds generated by the increased demand for service, which will be created in this way.

As of now, users who have complaints about service quality, the treatment they receive, or the bills they have to pay will have an office at which they can complain.

As part of the administration reform, we have eliminated 10 general directorates that operated within the Ministry of Public Works and Services. These directorates were in charge of nonessential services and functions that can be fulfilled by other departments without additional expenditure or personnel. The employees of the eliminated directorates have been placed under the direct management of the minister of public works and services. These employees will work for a consumer protection office. I will personally supervise the work done by this office, which will be to give satisfactory attention to all complaints.

The Ministry of Public Works and Services is working on a draft consumer protection bill, which the executive branch will submit this year to Congress. Among other things, this draft bill provides for the creation of consumer associations—one for each utility—which will have to comply with some requirements, like having a minimum number of members and being apolitical and democratic, in order to be recognized as the legitimate representatives of consumers. A consumer protection council will be created within the Ministry of Public Works and Services, although it will be independent from the government. The council will participate in the supervision of the services rendered by state-run companies.

I have invited the CGT [General Confederation of Labor] to participate in analyzing the future utility rate policy with the Ministry of Public Works and Services. I want to listen to what unions have to say. I know that together we can find new ways to give this utility rate policy an efficient and deep social significance.

Consequently, we will install as many telephones as we can and we will bring gas from Nuequen. We will take into account the situation of retirees, pensioners, teachers, professors, students, and the poorer sectors. Yet there is a limit to what we can do.

We have created a holding of public enterprises and we have given it broad powers. The holding will designate and remove managers and directors of public enterprises. The holding must approve the budget of each one of those enterprises. The holding exercises monthly supervision on the budget of each enterprise. This will allow us to reduce treasury allocations to public enterprises by $500 million this year. Furthermore, in July, state-run companies were compelled to cut their previously approved expenses. They must reduce their spending and they must deposit their savings, in cash, in a special account from which withdrawals are forbidden. At the end of the first month deposits in this account had reached 400 million australes. This means that 400 million australes have been saved. We wil continue to save, to enforce fiscal discipline, and to promote efficiency. However, this is not enough for taking the great leap that will place our utilities at the level of other countries, like Germany, Sweden, and France. A lot of money, know how, and formidable managerial capability is necessary to achieve this objective.

The national treasury does not have any more money to give to the state companies. It must borrow the money, and when the treasury borrows thousands and thousands of dollars, it takes up most of the money available in the market, thus leaving only pennies for the private sector. This causes interest rates to skyrocket, while inflation soars.

Enough! We have to put an end to this. This is why we are trying to end monopolies. Until last year it was impossible to compete with state-run companies because they held a monopoly. We ended this privilege, removing at least those monoplies that were established by decree.

Now we are receiving offers that, until a few months ago, would have been unthinkable. We have received offers to build roads and power stations. There are private enterprises which want to build, at their own risk and at their own expense, highways on which they will be authorized to collect a toll, or power plants that will be paid for by selling energy to the national power network.

With the cooperation of the Neuquen government, we are promoting the construction of a petrochemical center in that province. This project will not require treasury funds, a state guarantee, or subsidies. The project will be totally financed with risk capital. Under the original project proposal, the state was to have provided the funds and then grant special benefits. Yet we adopted a firm attitude and we managed to convert the project into a private investment venture. We received two proposals: An Argentine-U.S. consortium and an Argentine-Italian consortium have offered to build a gas

processing plant. We received several offers for the construction of plants that will produce polyethylene, polypropylene, acrylonitrile, MTBE [methyl tert-butyl ether], which are products that we currently import and that we will soon be exporting.

Companies like Dow, (Snams), (Namprojeti), (Techlin), (Sideco), and (Perez Compa) want to invest in this project, which calls for an investment of $700 to $800 million. There are internationally famous firms that are willing to invest their money, to bring their technology, and to help us take this great leap.

Oil contracts worth $320 million have been signed to prospect for oil practically all over the country. National and foreign companies are now trying to find oil in the Argentine sea, the Rawson marine basin, Rio Colorado, (Oyeros), Morillo, (Shigman), Union, Rio Grande del Sur, northern Santa Fe, Reconquista, Santa Silvina, Governador Ayala, Villa Guillermina, and in Arenales.

We have signed 33 contracts since we began the Houston plan in 1985. We will issue the last call for bids involving the 63 remaining oil sectors before the end of the year.

We will also call upon private capital to exploit oil and to increase production, thus making sure that we will no longer have to import oil.

Our first step was to improve the situation of Government Oil Deposits [YPF], which is a great enterprise and which, after being revitalized, is showing its true ability. During the first half of 1988, YPF production surpassed production of the first half of 1987 by 760,000 cubic meters. But YPF cannot do everything by itself. [passage omitted]

Everything we do is part of a plan. Each initiative is like a piece of a jigsaw puzzle, and when all the pieces come together it reflects the deep transformation of the state and economy that the government has implemented. This reform is seen in the drastic reduction in spending, the (?functions fulfilled) by the public enterprises, the participation of private capital in state enterprises, the opening of major areas to the private sector, and the promotion of the oil industry, the petrochemical sector, and the export infrastructure, which are all parts of a great modernization plan.

So how will the utility rates for the larger social sectors, the benefits for retired workers, and the defense of consumers and users, which we are being set in motion today, be implemented ?

We will implement this social policy with the same firmness and the same strength that we showed when we enforced the economic reform, in spite of all the difficulties. This is not the objective of one single sector of the government. The task to be undertaken is so large and its scope is so big, that it would have been impossible to propose this modernization plan if the entire government were not committed to it.

Short-term measures aimed at curbing inflation were announced yesterday. Inflation was a snowball that threatened to ravage our economy. These measures guarantee the continuity of this modernization plan. We are on our way. We are moving forward with our practical idealism. We must develop within our capabilities, but we must also pay attention to our difficulties; we use the opportunities we have, but we also take our chances. We are already an organized democracy, and now we are organizing the future. Thank you, very much.

Trade Secretariat Releases Summary of Measures

PY0508142788 Buenos Aires TELAM in Spanish 0040 GMT 5 Aug 88

[Text] Buenos Aires, 4 Aug (TELAM)—Today the Industry and Foreign Trade Secretariat released a summary of the measures adopted by the government within the framework of the new economic policy while the corresponding regulations are being drawn up. Therefore, the Secretariat reported that the withholdings on dollars generated by the export of more than 500 agricultural, agroindustrial, regional economy products, fuels, and lubricants have been eliminated. Meanwhile, the import tariff on pharmaceutical drugs and medicines are reduced to zero, while the tax return system on the export of manufactured goods and on turnkey plants will be maintained.

Regarding export activities, the interest rate for refinancing government sponsored exports has been increased from 5 percent to 8 percent annually in dollars.

The maximum aid to refinance exports will not be greater than $7.5 million per company; therfore, the government will encourage raising money abroad to refinance government sponsored exports.

Nearly all the import tariffs subject to the method of previous consultation have been eliminated, except for about 1,000 products which will continue under this system.

The basic points of this measure indicate that it will allow the industrial sector a greater and more fluid capability to obtain inputs, and at the same time it will make the market more agile, predictable, and much more open.

The elimination of the import tariffs will go into effect on 21 September 1988. Between now and that date, a specially created tariffs commission will evaluate and reorganize the tariff system currently in effect.

The organizations affected by this measure will be consulted on how to achieve the outlined objective, which is to make the sectorial effect of said measures much more efficient.

Industrial enterprises will be able to request the import of capital assets that are not produced in the country and will pay a 5-percent tariff.

In this case, the Industry and Foreign Trade Secretariat must approve each petition within a 30-day period, prior to consultations with business organizations, which in turn must report on local production and commercialization conditions within a 10 day period.

The Special Export Programs (PEEX), which were created to increase that activity, have been abrogated because it is understood that they have achieved their objective, although the commitment that has been assumed with those enterprises that are currently benefitting from the program will be maintained.

'Last Details' of Bridge Loan Studied

PY0508150188 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1108 GMT 5 Aug 88

[Excerpt] Buenos Aires, 5 Aug (NA)—The Economy Ministry reported that the U.S. Treasury and countries that are grouped in the Bank of International Settlements, with the support of the IMF and the World Bank, are defining the last details of a $500-million bridge loan for Argentina.

The announcement was made simultaneously in Argentina and in Washington by the U.S. Treasury Department, which stated that the loan seeks to ease the burden of the foreign debt of our country.

The announcement was made last night, 1 day after a visit to the country by a high-level U.S. Government delegation headed by Secretary of State George Shultz, and it coincides with the implementation of new measures against inflation.

The official information adds that the loan "is part of the financing of the balance of payments that is necessary to implement the government's economic program, and it will be amortized with the disbursement of additional loans by the World Bank." [passage omitted]

Bolivia

President Delivers Independence Day Address

PY0708022288 Madrid EFE in Spanish 2330 GMT 6 Aug 88

[Text] La Paz, 6 Aug (EFE)—Today in his state of the nation message to Congress on the 163d anniversary of Bolivia's independence, President Victor Paz Estenssoro said Bolivia is on the way to recovery because the negative economic trend has been reversed and the country lives in total democracy.

Citing important achievements in the past year, Paz Estenssoro mentioned the maintenance of economic stability, the consolidation of the democratic system, and the progress made in the fight against drug trafficking.

The reactivation process began in 1987 with a 2.2-percent GDP growth, Paz Estenssoro explained, adding that it is expected to reach 2.5 percent this year.

Referring to the growth level attained last year, he noted that "the figure is not high, but it is very significant because the declining trend was reversed for the first time in 6 years." However, he said that in 1987 "the inflation rate was 10.7 percent," while in the first 8 months of this year it has reached 15.0 percent.

President Paz Estenssoro emphasized the negotiations that have been conducted with international banking community creditors for "repurchasing" the foreign debt, and he anticipated that his government will propose to "the bilateral loan creditors a modification of the terms for servicing the interest and principal," but he did not elaborate on the details of such a proposal.

He referred to the illicit production and trafficking of drugs as a "national threat," and he called for a general mobilization against "this criminal activity," adding that "drug trafficking will decline" thanks to the recently approved law on coca crops and controlled substances.

Paz Estenssoro said that "once the hyperinflationary process has been halted, new exports must be urgently promoted in order to overcome problems with the balance of payments," and he noted that "mining appears to be the most promising sector."

Paz Estenssoro emphasized "the identification of the Armed Forces with the democratic system of government, in strict compliance with constitutional precepts," despite the fact that "heavy sacrifices have been demanded of both the institution and its members."

"We have devoted ourselves to maintaining the democratic system and the individual rights recognized by the Constitution," he asserted, adding that not even to enforce the laws or to fight "irrational calls to subversion" and protest demonstrations "have we resorted to the legal instrument of a state of siege."

He affirmed that the special forces in the struggle against drug trafficking "have achieved positive results," as proven by the seizure of 8.5 tons of cocaine, the destruction of 1,081 cocaine laboratories, and the arrest of 919 people involved in drug trafficking during the past year.

The Bolivian president called for "Latin American solutions" to problems such as "peace in Central America, the Panama Canal issue, and the Malvinas conflict." He stressed that his government will conduct "continual diplomatic actions" to secure the necessary diplomatic support to resolve peacefully Bolivia's geographic isolation in accordance with "the Bolivian idea of peace, integration, development, and democracy."

The restoration of democracy "has contributed to enhancing the image of the country abroad," Paz Estenssoro said, noting that "international confidence in Bolivia has been restored."

He asserted that this democratic stability and external financing, if forthcoming, will help "to increase our nation's wealth as the only means to improve effectively our people's lot."

Paz Estenssoro, who is now holding the Presidency for the fourth time since 1952, will transfer power on 6 August 1989 to the winner of the general elections in May next year.

Comment on Upcoming Visit of George Shultz

Ministers: Visit 'Important'

PY0508153888 La Paz La Red Panamericana in Spanish 1130 GMT 5 Aug 88

[Text] Foreign Minister Guillermo Bedregal Gutierrez has said that the visit of U.S. Secretary of State George Shultz is important for the country.

Information Minister Herman Antelo also made a similar statement. He added that this will be a good opportunity for the two countries to reach agreement of various issues related to bilateral relations.

George Shultz, who is scheduled to arrive at 0800 on 8 August, will meet with President Victor Paz Estenssoro and with several ministers, especially those involved in the economic and political areas, and in the struggle against drug trafficking.

Antidrug Aid 'Ridiculous'

PY0508154988 Madrid EFE in Spanish 0138 GMT 5 Aug 88

[Text] La Paz, 4 Aug (EFE)—Today Bolivian Foreign Minister Guillermo Bedregal Gutierrez deemed U.S. economic help to fight drug trafficking in Bolivia "absolutely ridiculous."

Bedregal said the United States "ought to assign at least $124 million for a 3-year program." He added: "According to the current disbursements, the amount assigned is minimal and absolutely ridiculous."

In the opinion of Social Defense Deputy Minister Jorge Alderete, the U.S. aid disbursed until March 1988 totalled less than $16 million, $8 million of which was used by the U.S. Embassy for the maintenance of the 5 helicopters lent for the project, and only the remaining $8 million in replacing coca leaf plantations.

Minister Bedregal said his country has fulfilled its part of the agreement. "Now it is the United States turn to put up," he said.

The minister reported that "several documents regarding joint cooperation in the replacement of coca leaf plantations are being prepared for discussion with U.S. Secretary of State George Shultz."

According to Bolivian officials, the government will ask Shultz—who is touring several Latin American countries and who will arrive in La Paz on 8 August—to see that the United States fulfills its promise of granting Bolivia effective support in the fight against drug trafficking.

Minister on Drug Burden

PY0808031388 Madrid EFE in Spanish 2315 GMT 5 Aug 88

[Excerpt] La Paz, 5 Aug (EFE)—Today Bolivian Interior Minister Juan Carlos Duran Saucedo said the Bolivian Government will propose to Secretary of State George Shultz "equal responsibility in the struggle against drug trafficking."

Shultz will arrive on 8 August in La Paz, as part of an official Latin American tour, to evaluate Bolivia's struggle against drug trafficking and its economic reorganization.

Duran said the problem of drug trafficking is not the sole responsibility of Bolivia as producer, but that it is also the responsibility of the consumer countries.

He added that the struggle against drug trafficking needs technical and economic resources that his country cannot finance because of the current economic crisis, the power of the drug traffickers, and the social problems created by a reduction in growing coca, which is the raw material for making cocaine.

He explained that "in order to conduct a peaceful replacement of coca and to guarantee the subsistence of coca growers, it is necessary to have a considerable amount of money." [passage omitted]

Alderete on Drug Agenda

PY0608034488 La Paz La Red Panamericana in Spanish 0000 GMT 6 Aug 88

[Text] The Interior Ministry's Undersecretariat for Social Defense will be unable to convey its plans for the antinarcotics struggle to U.S. Secretary of State George Shultz, who will visit Bolivia on August 8.

Social Defense Under Secretary Jorge Alderete Rosales expressed concern to the news media that Shultz' agenda in Bolivia does not include any meetings to discuss the technical aspects of drug enforcement, for which the Social Defense Under Secretariat is responsible.

Alderete said that he has collected various documents on illegal drug trafficking. He also complained that he had been unable to discuss the situation and the plans for antinarcotics struggle with visiting Italian Deputy Foreign Minister Susana Agnelli.

Revollo on Aid

PY0808025588 Buenos Aires DYN in Spanish 1550 GMT 7 Aug 88

[Text] La Paz, 7 Aug (AFP)—Today [as received] Defense Minister Alfonso Revollo said on the day of the national flag that the Bolivian Armed Forces supports the consolidation of the democratic process and an economic program aimed at reaching the overall development of the nation.

Revollo said on the 163d anniversary of Bolivia's independence that the Armed Forces wants the fulfillment of stabilization and a development program because this is the only way to allow the progress of a free political system.

He said the Armed Forces are faithfully complying with constitutional precepts and are working in all the regions of the country for national development despite the economic problems.

Regarding the upcoming visit of Secretary of State George Shultz, Revollo said he will ask for more aid to the Bolivian Armed Forces and to the country in general.

Shultz will make a 12-hour visit on 8 August and will meet with President Victor Paz Estenssoro.

Labor Group Rejects Visit

PY0608033088 La Paz La Red Panamericana in Spanish 0000 GMT 6 Aug 88

[Excerpts] The La Paz Departamental Labor Federation issued a statement saying that through the toil and sacrifice of all its citizens, Bolivia will attain its much desired progress and self-determination. [passage omitted]

The statement, which was read by Ricardo Calderon, also mentioned the upcoming visit of U.S. Secretary of State George Shultz, who will arrive in Bolivia on 8 August. He is declared personna non grata because he is a representative of imperialism and the IMF, according to the statement.

The statement adds that Shultz' visit to Latin America is being used to extoll the policies of the ADN and the MNR. Calderon said that these policies have been repudiated and rejected by the working class. Calderon concluded by saying, we reject Mr Shultz because he is the representative of the IMF and of imperialism, which is to blame for these policies.

Interior Minister on Antidrug Efforts

PY0508141588 La Paz La Red Panamericana in Spanish 1130 GMT 5 Aug 88

[Text] Interior Minister Juan Carlos Duran has said that the struggle against drug trafficking being conducted by the Bolivian Government responds to all international demands.

Duran said that in the past few years, government organizations have demonstrated their political decision to eradicate this scourge by putting into practice an effective program, which is satisfying the nation.

He explained that the struggle against drug trafficking has led to the arrest of people, the destruction of cocaine factories, the reduction of coca plantations, and the confiscation of raw material for processing cocaine. He said that Bolivia has fulfilled all commitments signed both with governments and international organizations.

However, said Duran, despite the government effort, some countries did not understand the magnitude of the work done; therefore, they did not provide the expected support. Duran also said that the struggle against drug trafficking should be conducted at the international level, and that it is the obligation of governments and international organizations to respond to the needs of such a great task.

Duran said that during the years of struggle against drug trafficking, Bolivia has demonstrated that it has the conviction to respond to this challenge with the effectiveness needed in such a delicate task.

Government Urges Support for Contadora Group

PY0508143588 La Paz La Red Panamericana in Spanish 1130 GMT 5 Aug 88

[Text] The Bolivian Foreign Ministry deplores the obstacles in the path of bringing peace to Central America and suggests greater support for the Contadora Group.

The Diplomatic Information Department of the Foreign Ministry released a document stating that Bolivia supports all the efforts made so far to bring peace to that region. The document says that it is necessary to recognize the job done by the Contadora and Contadora Support Groups in their efforts to consolidate peace.

Brazil

Sarney, Shultz Discuss Trade Problems

PY0708235688 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Aug 88 p 7

[Text] Brasilia—Yesterday during a luncheon President Jose Sarney suggested to U.S. Secretary of State George Shultz that the U.S. Government stop using "harsh words such as retaliation, punishment, or sanctions" in the trade talks between the two countries. Sarney said those threats could "contaminate" the good Brazilian-U.S. political relations with problems that are strictly commercial.

The luncheon, which was held at the Alvorada Palace, was also attended by Foreign Minister Roberto Costa de Abreu Sodre, who said the meeting was "cordial, objective, and quite favorable" to Brazil. He added that the meeting set the basis "for putting an end to the conflict

between Brazil and the United States." The minister recalled that President Sarney advocates "dialogue to resolve the problem" and not "making the situation worse than it already is."

Luis Felipe Seixas Correa, presidential adviser for international affairs, said the meeting was "extremely pleasant and cordial." He said the meeting revolved around important international and Latin American issues, especially bilateral relations." [quotation marks as published]

Seixas Correa said that according to Sarney, Brazilian internal problems are the result of the country's transition process, within the framework of the Latin American situation. Sarney told Shultz that "Latin America is going through a process marked by a decline of expectations and of impoverishment as compared to the more dynamic parts of the world." He added that this process could even "jeopardize the democratization process taking place on the continent." President Sarney also said that U.S. participation in correcting the situation "is important," but he made it clear that Latin America does not expect "any concessions or aid" from the U.S. Government.

During a working meeting with Foreign Minister Abreu Sodre, George Shultz guaranteed that the U.S. Government is willing to talk with Brazilian officials to find a negotiated solution to the impasse in the pharmaceutical products issue.

Shultz regretted the current state of Brazilian-U.S. commercial relations, but he did not mention the possibility of suspending the retaliation against Brazilian products brought about by U.S. disagreement with Brazil's policies on pharmaceutical patents. Instead, Shultz explained to Abreu Sodre that the U.S. objective is to protect intellectual rights in order to stimulate new knowledge. Shultz added that the pharmaceutical industry is "a classic example" of a sector that needs that type of protection. This is why the Brazilian and U.S. experts should hold discussions to find a "mutually satisfactory formula."

Itamaraty spokesman Ruy Nogueira, who attended the meeting, said that Abreu Sodre pointed out the negative effects of that dispute on political relations, saying that the announcement of retaliation, in addition to being untimely because of the delicate political situation, "awakens anti-American sentiments and contributes even further to the bad relations between the two countries." Abreu Sodre also made it clear that the Brazilian Government considers the label of "pirate" given to Brazil by the U.S. Government in the case of pharmaceutical patents to be "inadequate" [inadequada].

Shultz praised the "direct and sincere" manner in which Abreu Sodre brought up this issue, and he said his government is aware that the resolution of the patent problem of the U.S. pharmaceutical products manufactured in Brazil will reflect on political and commercial relations.

Regarding the expression "pirate," Shultz said "it is not a diplomatic term but jargon used in industry." More calmly, Abreu Sodre predicted a quick resolution of the problem, which has to be discussed at a technical level, and he entrusted Paulo Tarso Flecha de Lima with the task of beginning the necessary dialogue.

Students Protest Visit

PY0708024488 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Aug 88 p 7

[Text] Brasilia—"Out with U.S. imperialism," "out with Shultz." Chanting these slogans yesterday in from of Itamaraty, nearly 200 high school and university students staged a protest demonstration against the presence in Brazil of U.S. Secretary of State George Shultz. The demonstration began with only a few people, as Shultz was leaving Itamaraty. A little while later, the number of demonstrators increased. Then, "in an act of repudiation of U.S. policies," the students burned a U.S. flag.

For Shultz' 1-day visit to Brasilia, the U.S. Secret Service and the U.S. Embassy in Brazil set up a strong security plan. The caravan of cars following the car in which the U.S. secretary of state was riding drew public attention: ten cars loaded with U.S. Secret Service agents and Brazilian Federal Police personnel.

Visit Success for U.S.

PY0808034288 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Aug 88 p A-4

[By Roberto Lopes]

[Excerpts] As in the Hollywood movies, everything ended well, and the U.S. Embassy in Brasilia is spending a weekend amid satisfaction and relief. The truth is that the U.S. diplomats could not have hoped that the visit of Secretary of State George Shultz to the Brazilian capital would turn out to be happier than it was.

Shultz, who left for Rio de Janeiro yesterday morning, managed to give quite a bit of publicity to his government's hostile position toward Nicaragua's Sandinist government and wrested from the Brazilian foreign minister the clear condemnation of Nicaraguan leader Daniel Ortega's regime that the U.S. secretary of state had heard throughout his Latin American tour. And on top of all that, Shultz managed to sidestep the offensive staged by Itamaraty Secretary General Paulo Tarso Flecha de Lima to convince the visitor of how "unfair" and "unacceptable" the retaliatory measures against Brazilian trade are that Washington announced 2 weeks ago. [passage omitted]

In addition to displaying George Shultz' artful dodging of his Brazilian partners, the secretary of state's visit to Brazil showed the State Department's new tactical approach to the issue of Brazilian arms sales in the Middle East. Last January, U.S. diplomacy made it clear that it considered all military materiel sold to Libya as

"harmful to world peace." During his visit George Shultz made it clear that he was concerned with only some of the arms: ballistic missiles. [passage omitted]

About his country's retaliation for the computer market restrictions and the use of U.S. patents by the Brazilian pharmaceutical industry, Shultz managed to satisfy Sodre and the Brazilian diplomats with the foreseeable suggestion that these problems be submitted to groups of experts for further study.

Chile

Carvajal Supports Lifting States of Exception

PY0508034788 Santiago Radio Chilena Network in Spanish 2300 GMT 4 Aug 88

[Text] Defense Minister Patricio Carvajal said he favors lifting the states of exception before holding the plebiscite if the national situation allows it.

[Begin Carvajal recording] I believe the ideal situation would be not to resort to the enforcement of states of exception. The ideal would be for all citizens to behave properly and to comply with their civic duty that has been traditional in Chile and which has always been known as a model of civility.

If this is the case, all Chileans will support the lifting of the states of exception. [end recording]

Carvajal added that if there are terrorist attacks, we will have to adopt some measures to safeguard citizens.

Carvajal said everything depends on the behavior of the opposition and particularly on that of terrorists. He said: If these people behave in a civilized manner, we will have no need to establish states of exception and all Chileans will be happy if this happens.

Foreign Debt Renegotiating Agreement Signed

PY0508123588 Santiago Radio Chilena Network in Spanish 2300 GMT 4 Aug 88

[Text] Today in New York Chile and its creditor banks signed contracts that will make existing agreements on debt renegotiations more flexible. These contracts will also reduce interest rates on the principal.

Present at the ceremony were Chilean Finance Minister Hernan Buchi, Central Bank President Enrique Seguel, Chilean Ambassador to the United States Hernan Felipe Errazuriz, and debt negotiator Hernan Sommerville.

The creditor banks' representatives included Susan Segal, vice president of the Manufacturers Hanover Trust, the organization which is representing almost 300 financial creditor banks.

The agreement reached with the foreign banks basically deals with the reduction of interest rates both for new and existing debts. This will represent an annual savings of $22 million as of 1989.

The flexibility aspect of the contracts seeks to facilitate Chile's return to the voluntary credit markets. This means that the country can freely ask for loans from international banks and accelerate the debt reduction process.

The agreements include the possibility of obtaining a new loan of up to $500 million, the redemption of old debt notes up to $500 million, the possibility of paying the dollar debt with Chilean pesos, the renewal of existing debts, with a ceiling of $2 billion, and the ability to expand the relending [preceding word in English] system which would allow the reinvesting in the country the money that should have been used to pay the principal of the debt.

Finance Minister Comments

PY0708203888 Santiago Domestic Service in Spanish 1700 GMT 6 Aug 88

[Text] Finance Minister Hernan Buchi returned to the country early this morning on LAN Chile flight 145 from the United States after carrying out economic negtiations with international banks.

Smiling and expressing surprise at the presence of reporters at the airport at that hour of the day, the minister said the new agreement on the foreign debt confirms the good opinion that the international community has of the Chilean economy. We are kind of a favorite child of the IMF because it knows we have serious and consistent programs.

Asked for an assessment of his activities in the United States, he stated:

[Begin Buchi recording] The main objective of the visit—not to Washington, but to New York—was to participate in the signing of documents that amend the contracts for the renegotiation of the debt with creditor banks. The objective of these changes is to give greater flexibility to Chile to gradually gain access, on a voluntary basis, to credit markets. [end recording]

The most important aspect of the negotiations includes a new $75-million loan payable in four installments. These resources are freely disposable, and the use to be made of them will be announced later. Regarding the expanded financial facilities agreements, Buchi said that the agreements are very important for Chile.

[Begin Buchi recording] Chile has always considered it important to have economic programs adequate for development—not only for today, but for the future as well. IMF cooperation in this regard is very useful because it not only gives us additional support to reach

agreements and gain financing from banks, it also shows the path to investors, letting them know the country has an adequate economic program.

From this point of view, the agreement with the IMF will maintain this tradition because it is an exceptional case, in the sense that we are the first country to make use of this new mechanism that allows us to extend for 3 or 4 more years the agreement on expanded financial facilities. Now, concretely, this also means more resources for the country because, as you know, this also means the granting of special drawing rights equivalent to $75 million. [end recording]

Hernan Felipe Errazuriz, Chilean ambassador to the United States, arrived on the same flight with the minister.

Joint Declaration With Peru Stresses Good Ties

PY0608025488 Santiago Domestic Service in Spanish 2300 GMT 5 Aug 88

[Text] Chile and Peru have signed a joint declaration stressing the high level of good relations between the two countries. The document, signed at the Foreign Ministry Red Hall by Peruvian Foreign Trade Institute President Enrique Cornejo and Chilean Deputy Foreign Minister Ernesto Videla, outlines the matters discussed during the meetings held between the Peruvian official and Chilean authorities.

The document stresses the need to promote priority projects and activities leading to good trade relations between the two countries. It also stresses the need to exploit and promote joint industrial projects, especially in the fields of textiles, metalworking, fisheries, and agriculture.

The document also refers to the establishment of a renewable monthly line of credit from the Chilean Bank to Peru's Central Bank for an amount up to $10 million, the implementation of which will be subject to analysis of those banks.

Supreme Court: Communist Leader Cannot Stay

PY0508152788 Santiago Domestic Service in Spanish 1030 GMT 5 Aug 88

[Text] Former Communist Deputy Luis Guastavino cannot remain in Chilean territory because he represents a risk for the nation's internal security. The Supreme Court issued this final decision, upholding a lower court decision after a long appeals process.

If Guastavino stays in the country, he will continue with his clandestine activities. If he wants, he can settle down in Argentina. In September 1973 shortly before the 11th, bundles of paper money from the Chilean Central Bank were found in Guastavino's house in Valparaiso.

According to the Supreme Court decision, former Deputy Guastavino, a top leader of the outlawed Communist Party and a perpetual student of the Pedagogic Institute of Valparaiso, could be sentenced to 541 days or 3 years in prison if arrested.

Colombia

President, Army Commander on National Dialogue

PA0608152088 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 6 Aug 88

[Excerpt] Today was Army Day. At a commemorative ceremony, President Barco took the microphone to speak of generosity tempered with firmness. The president emphatically said that the solution to the problems of violence will not be total war or a scorched earth policy. The solution should be political, and the government has not renounced its policy of generosity tempered with firmness and circumscribed within certain parameters.

During the celebration of the Army's 160th anniversary, President Virgilio Barco said that he will not allow those who carry out kidnappings, utilize terrorism, and destroy resources to create panic and take refuge behind the Constitution to hinder the activities of the authorities. He said that the same treatment cannot be given to common criminals as to inactive guerrilla groups that are seriously interested in rejoining civilian life. He said that the pardon and guarantees that the government is offering are for those groups.

The chief of state added that dialogue is useful but only if its objectives are clear.

[Begin Barco recording] The government has rejected armed intimidation. It is unacceptable that there should be talk of dialogue and peace while in the jungles the young soldiers of the fatherland are ambushed and cruelly murdered. [applause] [end recording]

For his part, the Army commander [General Oscar Botero] surprisingly expressed support for dialogue, which the Armed Forces have rejected in principle.

[Begin Botero recording] Dialogue should be carried out within a definite time period with well-defined topics that lead to demobilization. Then, if this happens, if there is demobilization, then that dialogue would be acceptable. [passage omitted] [end recording]

Ecuador

President: Ortega Not To Attend Inauguration

PA0608142988 Quito Voz de los Andes in Spanish 1233 GMT 6 Aug 88

[Text] President Leon Febres-Cordero will not allow Nicaraguan President Daniel Ortega to enter the country as long as diplomatic relations between Ecuador and Nicaragua are not restored, according to sources from

the special commission that is preparing the receptions for the presidents who have been invited [to the presidential inauguration of Rodrigo Borja on 10 August]. The government representatives pointed out that Febres-Cordero's regime will not allow Nicaraguan President Daniel Ortega to enter the country as long as he [Febres-Cordero] is president.

Febres-Cordero pointed out that diplomatic relations between the two countries have not yet been restored. The same position was adopted by Defense Minister Medardo Salazar, who pointed out that on 10 August, Ecuadoran airspace will be closed to the plane carrying the Nicaraguan president and his delegation.

According to the sources, the Febres-Cordero government adopted this position as soon as it was officially announced that Ortega would attend.

Possible U.S. Pressure

PA0608213488 Buenos Aires REUTER in Spanish 1838 GMT 6 Aug 88

[Excerpts] Quito, 6 Aug (REUTER)—[Passage omitted] Nicaraguan Information Minister Manuel Espinoza said during an interview in Quito that the Nicaraguan Foreign Ministry delegation that visited Ecuador last week to prepare Ortega's visit in mid-August was notified by Febres-Cordero that he will not permit Ortega's entry into the country as long as Febres-Cordero is president. [passage omitted]

Espinoza said he is trying to resolve the problem of Ortega's visit together with the Ecuadoran authorities, but he is afraid Ortega's entry into Ecuador will not be allowed until late in the afternoon on 10 August, when Borja has already been sworn in. [passage omitted]

Espinoza added that yesterday he posed the problem to Borja, who promised to discuss the issue with Febres-Cordero; however, the current Ecuadoran president and his successor do not speak to each other.

Espinoza said he is afraid the United States has exerted pressure on Febres-Cordero, who is a close ally of Reagan, so the Nicaraguan leader cannot attend the inauguration ceremony.

Ecuadoran Foreign Minister Rafael Garcia Velasco was quoted by the independent daily EXPRESO as saying Ortega's entry into the country will not be permitted on the morning of 10 August before Febres-Cordero leaves the Presidency.

Government Denies Reports

PA0708214688 Madrid EFE in Spanish 2016 GMT 7 Aug 88

[Text] Quito, 7 Aug (EFE)—Today Ecuadoran Government sources denied that President Leon Febres-Cordero and his defense minister have decided to prevent Nicaraguan President Daniel Ortega from entering Quito.

Ortega plans to attend the 10 August inaugural ceremony of Social Democrat Rodrigo Borja and to use the visit as an opportunity to reestablish diplomatic relations between the two countries, which were broken off in 1985.

Galo Plaza, head of the Presidential Press Office, confirmed the government's denial of the report to EFE. The denial is also published today by Quito's morning daily EL COMERCIO, which cites a government source.

Yesterday Nicaraguan delegation members in Quito, who are there to prepare the visit of their country's president, reported that—according to the Ecuadoran Foreign Ministry—Febres-Cordero would not authorize the entry of Daniel Ortega as long as he holds the office of president.

Galo Plaza told EFE that the obstacles to Ortega's visit originate from Foreign Ministry rules that a visit such as the one by the Nicaraguan president cannot take place because the two countries have broken off relations.

However, the official admitted that the Presidency has ruled that Daniel Ortega could visit Ecuador as a "tourist" after there has been a change in the Presidency.

Meanwhile, EL COMERCIO added that regardless of the denial by the Ecuadoran president, Ortega will reportedly arrive in Ecuador on the afternoon of 10 August and will reportedly be received by one of the ambassadors of the special delegations attending Borja's inauguration, a reception that should prevent protocol problems.

Rodrigo Borja has repeatedly said that one of his first decrees as constitutional president of Ecuador will be to reestablish diplomatic relations with Nicaragua.

Peru

Garcia on Miners Strike, Arrested Palestinians

PY0608153288 Lima Television Peruana in Spanish 0100 GMT 6 Aug 88

[Interview with President Alan Garcia by unidentified reporter during the dedication of a sports facility for the Republican Guard in Chilca on 5 August—recorded]

[Excerpts] [Reporter] The mineworkers have been on strike for 16 or 17 days. How serious is this strike for Peru?

[Garcia] It is serious. It is also a source of concern because, like I said on 28 July, fishing, mining, and nontraditional exports are the main sources of dollars that we need in order to finance the growth of the country to attain the rates of 1986 and 1987.

I feel the mineworkers are right about many things. The country must understand that on several issues the government must decide in their favor. For example, a mineworker who digs 1,000 meters underground, stays there for or 7 hours and even eats lunch there, can retire at 55 years of age. I really think this system is very close to slavery. [passage omitted]

As a politician, as a lawyer, as a head of state, I am convinced that the mineworkers must retire much earlier. They should be able to retire at under 50 years of age. I think they should retire, not at the age of 50 as they have been asking for many years, but at the age of 48 or 47, especially the deep-mine workers.

It is not right to have a man who spends his entire life underground in the darkness and the heat, in a virtual hard labor prison, retire at the age of 55. As far as this is concerned I am entirely on the side of the workers. I do not think anything can be said against this demand of theirs.

Therefore, on this social and human issue, we will make a decision soon. We will make a proposal to the social welfare system and issue a law of a supreme decree establishing the age of retirement for deep-mine workers to be under 50. [passage omitted]

In sum, I want to tell you that this mineworkers strike is very hard on the country because it deprives us of the dollars we need for our economic reactivation and our struggle against inflation, but it is, nonetheless, a call upon our social awareness and our duty to improve the standards of living of these people, the poorest of all Peru.

[Reporter] Mr President, former Peruvian President Fernando Belaunde Terry said that inflation reached its record high in July. He added that Peru's inflation is the second highest in the world, right behind Nicaragua's.

[Garcia] I told the nation on 28 July that this is a difficult year. After 2 years of vigorous growth, we are now facing problems stemming from that growth. In order to grow, we had to subsidize the price of rice to guarantee a higher consumption of rice and, therefore, a greater production of rice.

In July, we had to withdraw some of the subsidies on rice and its price has gone up. Similar things have happened to other products and to the exchange rate. We must also bear in mind, however, that there have been unprecedented increases of the minimum wage and a 60-percent increase for most workers, public and private.

Thus, even though it is true that inflation is high, the important thing is to maintain the level of consumption and not let it drop, or if it does drop, make sure that it does not go down 30 or 40 percent, as it has in the past. I believe that this month, and possibly next month as well, will be difficult months, but I am convinced that our economy has the ability to recover through increase exports, restrictions of unnecessary expenditures, and especially through agreements. In the latter regard, I want to reiterate to workers and businessmen throughout Peru that prices are not the government's business alone. We must reach agreements on prices and salaries among businessmen, workers, and state representatives. [passage omitted]

I would like to talk about a topic that some newspapers are following and which concerns me because those newspapers have not evaluated the situation properly. The topic is: What should the state's attitude be regarding those Palestinian terrorists?

As you know, they were arrested and identified as three international terrorists of different nationalities, all of whom belong to the Abu Nidal group.

These citizens have not committed any crime in Peru. But, it has been verified that they have carried out intelligence tasks on the Jewish community.

But, heretofore, none of the countries, Italy or the United States, where they have committed crimes, has asked for them or requested them, let alone asked for their extradition.

Therefore, some lawyers have said that because they have not committed any crime in Peru they should be expelled from the country just as foreigners are expelled because do not have appropriate documentation.

My view is that no one can be expelled until it has been thoroughly proven that they were not carrying out intelligence activities within the country.

Peru is not a country without law, without order, or without authority to which people can come and carry out intelligence activities or plan crimes.

My view is that these citizens should be handed over to the attorney general, to the judicial branch, so that it can urge or demand the countries where crimes have been committed to request them or ask for them.

I do not believe that these people should be expelled from Peru until the judicial branch has defined their legal situation.

[Reporter] Should they not be released, Mr President?

[Garcia] Of course not. If they have been arrested it is because it is presumed that they were preparing something very serious. The cyphers and the coded maps of Lima that they had on them oblige us to presume that they wanted to carry out something.

We cannot release them and this is why some people had requested that they be expelled from Peru, but before doing so we believe that they should be placed at the disposal of the judicial branch, which will define their legal status.

Prime Minister on U.S. Obligation in Drug Fight
PY0508225888 Lima Television Peruana in Spanish 1800 GMT 5 Aug 88

[Excerpt] This morning Prime Minister Armando Villanueva del Campo held a meeting with Ann Wrobleski, assistant secretary for international narcotics matters. After the meeting, Villanueva announced the implementation of a great South American antidrug plan.

[Begin Villanueva recording] The important thing is that a decision has been made. This lady, representing the U.S. Goverment, has met with representatives of Peru, Bolivia, Colombia, Ecuador, and now of Brazil as well, to seek an agreement in the struggle against drug production. The United States has the greatest responsibility in this matter because it is the primary consumer country.

As long as millions of consumers who are willing to pay very high prices for the drugs exist in the United States, it will be very difficult for the producing countries to eliminate production of the drug. We have reached the point of bombing clandestine airports, but they are rebuilt almost immediately. [end recording] [passage omitted]

Superpowers Asked To Uphold Nuclear Testing Ban
PY0608182288 Lima Television Peruana in Spanish 1200 GMT 6 Aug 88

[Text] Yesterday Peruvian Foreign Minister Luis Gonzalez Posada delivered letters to the U.S., British, and Soviet ambassadors. These ambassadors are representatives of the signatory countries of the Moscow treaty. In the letters, which are addressed to the foreign ministries of the countries, Gonzalez asks that a conference be held in order to discuss nuclear test bans in compliance with that treaty.

The Moscow treaty, which was signed on 5 August 1963, forbids nuclear weapons testing in the atmosphere, outer space, and underwater. However, underground nuclear tests were not forbidden.

Uruguay

Students, Workers Protest Shultz' Visit
PY0508152088 Madrid EFE in Spanish 0430 GMT 5 Aug 88

[Text] Montevideo, 4 Aug (EFE)—Tonight thousands of youths marched along Montevideo's main avenue—18 de Julio Avenue—to protest U.S. Secretary of State George Shultz' visit to Uruguay.

The demonstration, which was organized by the Federation of Uruguayan University Students (FEUU) and the Federation of Secondary School Students (FES), was staged peacefully. The students sang as they carried posters rejecting "U.S. intervention" in Central America.

The Union of Young Communist (UJC) supported the mobilization and released a communique expressing "its deepest rejection of the visit, which is aimed at exerting pressure on the regional governments to better achieve U.S. interventionist objective."

The PIT-CNT also joined the protest demonstration and released a note "rejecting" the foreign policy of President Reagan's administration.

The note emphatically stressed that "the United States has directly and indirectly intervened in Asia, Africa, and Latin America, often causing the deaths of dozen of civilians."

The PIT-CNT added: "We reject the presence of this ambassador of intervention and aggression because we are profoundly identified with the Panamanian and Nicaraguan political processes."

After a 12-hour official visit to Uruguay, tonight Shultz left Montevideo. During the visit, he met with President Julio Maria Sanguinetti, Foreign Minister Luis Barrios Tassano, and several opposition leaders.

Venezuela

More Ministers Resign To Join Perez Campaign
PA0808032888 Madrid EFE in Spanish 0240 GMT 8 Aug 88

[Text] Caracas, 7 Aug (EFE)—Today Venezuelan Interior Minister Jose Ciliberto and Energy and Mines Minister Arturo Hernandez submitted their resignations to President Jaime Lusinchi to join the election campaign of Carlos Andres Perez, the ruling party's presidential candidate.

Tomorrow, Lusinchi will swear in Julio Cesar Gil as new energy and mines minister and install Estela Rocca de Azuaje as acting interior minister.

The resignations of these two ministers followed in the wake of resignations by of Juan Pedro del Moral as transport and communications minister and Simon Alberto Consalvi as foreign minister, who resigned for the same reason.

Venezuela's presidential elections will be held on 4 December. Polls show that Perez, the ruling party's Social Democratic candidate, has a wide lead over his main opponent, Christian Democrat, Eduardo Fernandez.

Lusinchi Meets With Barbados Prime Minister
PA0508193888 Caracas EL UNIVERSAL in Spanish 27 Jul 88 p 1-14

[Summary] Barbadian Prime Minister Lloyd Erskine Standiford recently visited Venezuela and signed a joint communique with Venezuelan President Jaime Lusinchi. The document states that the two leaders reviewed and ratified the agreement to fully cooperate in antidrug trafficking operations and agreed to renew their efforts so Venezuela may join a Barbados and Trinidad and Tobago cargo company. The document also states President Lusinchi renewed Venezuela's offer to help in the construction of houses and roads in Barbados. Furthermore, the two leaders reasserted their pledge concerning the region's democracy, peace, and social and economic development. In addition, President Lusinchi and Prime Minister Standiford discussed Dame Nita Barrow's candidacy to the presidency of the UN General Assembly's 43d period of sessions.